Regional NIAGARA

Tourism.....
In The Niagara Region

Report No. 2

Marketing, Trends, and Tourism

Planning and Development Department

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Memo to: Planning and Development Committee

From: Planning Staff

Re: "Marketing, Trends, And Tourism"
A Summary

In this report a variety of marketing trends related to tourism are discussed. The following items are reviewed:

- Population Trends in the Primary Market Area,
- Economic Trends,
- Social and Attitudinal Trends,
- Market Segmentation by Age Group,
- Tourism Activity Trends,
- Implications for Niagara.

This "Marketing, Trends, and Tourism" report is the second report in the "Tourism In the Niagara Region" series. The first report on "Economic Impact and Tourist Characteristics" was presented in October 1983. These reports are being prepared with the help of a sub-committee of the Region Niagara Tourist Council.

The purpose of the report is to provide food for thought as to likely developments related to tourism in Niagara, and hopefully to some degree help existing tourist operators to take advantage of emerging opportunities. Obviously any review of likely future developments should be treated with some degree of caution, since forecasting, and especially economic forecasting, involves large elements of uncertainty. However, despite these uncertainties, there are certain emerging trends which are clear, which will influence tourism, and which should be considered. It is that context which this report tries to provide.

The highlights from each section of the report are presented below:

Population Trends

a) Slower population growth is expected in the primary tourist market area in the next decade, and during the 1990's the population will likely decline. Although the current population of the primary market area is about 87 million, this is only expected to increase by about 500,000 during the 1980's, and to decrease by about 2 million during the 1990's.

b) If the low birth rates continue, there will be a smaller proportion and number of children and young people, but the 35 to 49 and the 65+ age groups should increase substantially during the 1980's.

c) The declines in the number of people per household, in the proportion of families with children, and in the average family size that occurred during the 1970's are expected to continue. As well, non-family households as a proportion of total households, will probably increase.

d) The improved educational levels are expected to continue, and to increase the inclination to travel.

Economic Trends

a) During the 1970's, the effect of less favourable economic conditions on travelling has been more noticeable in the U.S. than in Ontario. Financial and personal reasons were the major factors for U.S. households not taking a vacation or being uncertain about their vacation plans. Gasoline costs and availability was the third most important reason for not taking a holiday or being uncertain about their plans, and this aspect has declined substantially in importance since 1980. Thus,to date,gasoline costs have had an effect on tourism but not as great an effect as might have been expected. However, substantially increased gasoline costs or gasoline shortages would undoubtedly inhibit recreational travelling.

b) The recent economic conditions have accentuated the sub-markets, some of which are concerned about economical vacations, and others of which still primarily involve luxury travellers.

c) With regard to those who are looking for an economical vacation, they will likely travel less distance, stay for a shorter period of time at the destination, and be more price conscious.

d) During the 1970's Canadians have generally been in a better position than Americans with respect to incomes,which have risen faster than travel costs. This situation only occurred for Americans after 1977.

e) Although, since 1971, tourism related prices have risen faster in Canada than in the U.S., since 1978 the change in the exchange rate has compensated for this. By 1980 and 1981 increases in travel related prices in Canada and the U.S., and the exchange rate, made it more favourable to travel in Canada relative to the U.S. than had been the case in 1971. This improvement was reflected in an unprecendented number of American visitors to Canada. However, in view of the many costs that are involved, the different quality levels for service, and fluctuating exchange rates, it is very difficult to compare tourism costs in different countries.

f) Economic forecasts suggest generally favourable conditions for tourism in the 1980's, although the expected continuing high unemployment rates are a major cloud on the horizon.

Social and Attitudinal Trends

The emerging social and attitudinal trends suggest an increasing emphasis on obtaining self-fulfilling experiences. This, in combination with better education, two-worker families, and more varied interests, has led to a much greater degree of market segmentation than formerly existed. In addition, the more sophisticated, discriminating travellers are demanding "value for money", especially in the more difficult economic times that have recently developed.

The above combination of events suggests a more competitive and challenging marketing environment, in which tourism operations will have to identify and cater to specific markets. The degree to which Niagara can successfully attract visitors from other potential tourism areas will determine its success as a tourist destination.

In summary, all of the above suggests that, dependent on favourable economic conditions, the 1980's have good potential to be an upbeat decade for the tourism industry. Key changes are however occurring in the tourism market, with more market segmentation resulting primarily from changing social patterns. The emphasis on participation and self-fulfillment, the quality of the experience, value for money, and shorter vacations are increasingly important trends that will have profound implications for the types of recreational facilities in demand, and their marketing.

Market Segmentation by Age Group

As indicated above, the tourism market is becoming increasingly segmented. Although it is a rather simplistic approach, some aspects of tourism markets are discussed in relation to different age groups. Some of the major highlights of the tourism markets for the different groups are as follows:

a) The "children", "teenager" and "young adult" groups are expected to decrease in size in the primary market area during the 1980's. This decrease may affect the number of trips to thrill-type attractions - e.g. theme parks, and weekend and package vacations oriented to younger people. However, high risk sports such as parachuting, hang-gliding, and white-water rafting appear to have increased in popularity with younger people.

b) The "mature adult" group will likely increase in size during the 1980's. This group is about 40 percent more likely to travel during a year than the average resident, and enjoy such activities as automobile touring, packaged vacations, and self-improvement packages.

c) The "empty nesters" group is expected to decrease in size during the 1980's. However, this group is quite affluent - the children have usually left home, the house is often mortgage-free, and they appear to be increasingly spending their disposable dollars on travel. The sense of self-fulfillment and accomplishment are often important parts of the vacation experience for this group.

d) The "seniors" group is expected to increase in size during the 1980's, and early retirement will tend to increase the tourism potential for this group. Seniors are often interested in more passive types of recreational activities than younger people, although they are looking for socialization and for interesting and self-fulfilling experiences.

Tourism Activity Trends

a) Interest in outdoor activities has grown dramatically in recent years, and swimming and water-related activities are some of the more popular activities which could have substantial implications for Niagara.

b) Specialized tours, such as bus tours, have also grown in popularity and offer opportunities to cater to various interest groups and age levels.

c) The market for theme parks appears to have reached a stage of maturity and is not expected to increase dramatically in the near future.

d) Increased interest in culture and the arts suggests a growing market for these types of activities.

Implications for Niagara

The above sections provide a review of population, economic social, and tourism activity trends. What do these mean for Niagara? The following section outlines some of the major conclusions from the report, and what appear to be the major implications of the emerging trends for the tourism industry in Niagara.

i) Future population growth will be slower than in the recent past. As shown below, the total population growth in the primary market area will be about half a million people during the 1980's, but this will decrease to a population loss during the 1990's.

	Estimated Total Population (approximately)		Estimated Population Change
1970	85,178,000		
1980	87,083,000	1970-1980	1,905,000
1990	87,623,000	1980-1990	540,000
2000	85,358,000	1990-2000	-2,265,000

The implication of the above data is that Niagara can no longer depend upon population growth to expand the number of tourists who visit each year. Instead it will be necessary to attract a larger share of a relatively static market.

ii) In terms of age structure changes, the "mature adult" group (35-49 years of age) and the "seniors" (65+) appear to be the growth sectors of the 1980's. During this decade the "mature adult" group is expected to grow by about 27%, while the "seniors" population is expected to grow by about 16%. On the other side of the coin, the younger age groups especially are likely to decline in numbers.

The implication of these age structure changes is that tourist programs and marketing efforts should take account of the age structure changes. To the extent that the different age groups enjoy different types of activities, it will be important to cater to the interests of the growth sectors while, if possible, also appealing to the other groups. In terms of both the marketing of existing facilities and the development of new tourist facilities, it will be important to focus on the particular markets which one wishes to attract.

iii) The emerging tourist markets are very segmented. Changing social conditions such as later marriages, increased divorces, fewer children, single parent families, two-income families, increased education levels for the general population, greater leisure time, and more diverse interests have combined to produce a much greater variety of recreational experiences. This general situation has been compounded by economic uncertainties where the more optimistic economic outlook of the 1970's has been replaced by higher inflation and higher unemployment in the 1980's. Although the expanding tourism markets that emerged in the 1970's still exist, the changing economic conditions have affected the ability of some people to participate in certain types of vacation.

The major implications of the above trends are:

a) The better educated, more discriminating customers of the future will have varied interests and be more aware of alternative attractions. This suggests that Niagara will have to compete with other areas and other types of attractions for this market, so that marketing will be even more important to the success of the tourism industry than it is at present.

b) In the uncertain economic environment, one adjustment for some people has been towards more modest vacations - staying closer to home, and longer in one place. In that context Niagara has much to offer - it is near large population areas and it has established attractions. Thus it would appear that it can take advantage of the economical holiday alternative.

c) The tighter economic conditions have produced greater concern with obtaining "value for money". In this context the tourist facilities in the Region must recognize the importance of good, old-fashioned hospitality in producing satisfied customers who, in turn, will recommend the area to others.

iv) Self-fulfillment, especially self-improvement and education, has become an important aspect of many people's vacations. This includes the quality of the experience. Such trends are reflected in the growing importance of sports which include elements of challenge, risk, excitement, and escape, and the growing popularity of package holidays oriented to the interests of a particular group of people.

The implication of the above trends is that there appears to be a marketing opportunity for emphasizing the experience that one can obtain. The suggestion is that an emphasis be put on what one can do in Niagara that will be interesting, different, educational, and which will provide an experience that will remain after the visit to the area is over. Participation, education, challenge, and escape all seem to be important dimensions of these types of activities.

v) In the highly segmented tourist market that increasingly will exist, it may be useful to better understand why people participate in certain types of recreational activities. Some of this type of information is included in this report. Obviously, through an understanding of the motivational bases for different types of interests, there are opportunities to develop new types of activities upon a reasonably sound foundation.

The implication of the above suggestion is that in addition to identifying what people do in Niagara, market surveys should probe why they do it.

vi) A promotional program for tourism in Niagara should focus on three primary objectives:

- to attract more visitors (both first-time and return),
- to get people to stay longer,
- to get people to spend more money.

The implication of the above is that a two-part marketing program, as follows, is appropriate.

- One part would focus on the area and would deal with its activities, types of attractions, etc. and would especially deal with the development of a marketing focus and promotional theme.
- Another part, which would be done by individual attractions, would focus on the individual items of interest.

The above promotional activities are already underway but it is very important that they be continued. In the highly competitive tourism environment that exists, effective promotion and marketing will be crucial. If people do not know of the opportunities that exist in this area, they will go somewhere else about which they are better informed.

vii) The Niagara area has many tourist attractions and interests, the main one of which is Niagara Falls. That is the main tourist destination in the Region and the major point of introduction for visitors to the Niagara Region.

The implication of the above situation is that efforts should be made to make visitors to Niagara Falls more aware of the other attractions in the Region. This could be done through the provision of tours starting from Niagara Falls. The intent of the exercise is of course not to get people to leave Niagara Falls to spend their dollars in other parts of the Region, but rather to get them to spend some extra time, and hopefully some extra money, elsewhere in the Region in addition to their stay in the major tourist areas.

viii) Swimming is a very popular recreational activity. The location of Niagara Region, along major shorelines and close to large population centres, suggests an opportunity for visitors to participate in that type of activity. People in large cities often look for good beaches which are not crowded, which are not too far away, and where there is clean water.

The major problem in this area however is the water quality of the Niagara River and the lower Great Lakes system, and until that is improved the recreational potential of the water bodies will quite likely not be fully realized.

The implication of the above is that further efforts should be made to improve the water quality especially in the Niagara River and in Lake Ontario. Such improvements would quite likely have substantial benefits for tourism in this area.

Conclusion

In summary, the combination of slower population growth, tighter economic conditions, and increasingly segmented markets, suggest that effective tourism marketing will be an important part of successful tourism strategies in the 1980's. Information on the population in the market area, the changing age structure, economic conditions, and recreational and tourist interests will be important in the development and promotion of both existing and new tourist facilities, and in the expansion of the tourism industry.

The first two "Tourism In Niagara" reports have dealt with the present tourism markets and some emerging trends which will affect future markets. The next report in the series will present a thematic overview of some of the major tourist attractions that exist in the Region.

Prepared by,

George Nicholson.

George Nicholson

Planner

Alodia Holierhoek
Research Assistant

Corwin T. Cambray

Corwin T. Cambray
Manager, Policy Planning

GN/jm

Respectfully submitted,

Alan Veale

Alan Veale
Planning Director

MARKETING, TRENDS, AND TOURISM

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Section 1

INTRODUCTION

1. INTRODUCTION

The economic health of a tourist area depends upon its ability to attract visitors who will spend money on the available goods and services. Although Niagara has had a long history of tourism, its future will depend on its relative attractiveness vis-a-vis other tourist areas. This in turn will depend on its competitive position and the ability of tourist operators to anticipate, and respond to, emerging trends and the changing fads and fashions of the tourism market. In particular a knowledge of the types of things that people want to do on vacation is very important.

This report provides an overview of some of the emerging trends that are related to tourism. In particular, the following trends are examined.

- Population Trends in the Primary Market Area--this provides some information on the likely total size of the potential market, its age structure, household composition, and education.

- Economic Trends which affect tourism, particularly the effect of economic conditions on tourism, income and employment trends, and the effect of inflation and the exchange rate.

- Social and Attitudinal Trends, such as what people are looking for in a vacation, the nature of emerging tourism markets, trends towards package vacations, etc.

- Market Segmentation By Age Group, which provides a summary of some aspects of the market for children, teenagers, young adults, mature adults, empty nesters, and seniors.

- Tourism Activity Trends which include a discussion of increasing interest in physical fitness and outdoor activities, specialized tours, theme parks, and culture and the arts.

These sections are followed by a review of the major implications of the trends for Niagara.

The purpose of the report is to provide food for thought as to likely developments, so that to some degree the tourism industry can be prepared to take advantage of emerging opportunities. However, the report should be assessed with some degree of caution in that trends are not inevitable. The

uncertainty of economic forecasting, for example, underscores the difficulties of making definitive statements. Also, of course, changes in competing tourism facilities will influence Niagara's situation.

Despite the above uncertainties, there are certain emerging trends which are clear, at least in their broadest outlines, which will influence tourism developments, and which should be considered. It is that context which this report tries to provide.

Section 2

POPULATION TRENDS

IN THE PRIMARY MARKET AREA

2. POPULATION TRENDS IN THE PRIMARY MARKET AREA

a) Population Size

The Niagara market area primarily consists of the Great Lakes States* and Ontario. Figure 1 shows that the size of the U.S. section of the market is much larger than that of Ontario. What are the likely changes in the total population size in the primary market area during the next ten to twenty years?

The most recently published population projections (shown in Figure 1) for the 1980's show a lower growth rate for Ontario, but nonetheless suggest that an additional 900,000 people will be added to the population of the Province. In contrast, the projected population of the Great Lakes States suggests a net decrease in the population of about 400,000 persons.

In summary, the population forecasts show a continued reduction in the amount and rate of growth. Even assuming that the rather optimistic Ontario projections will occur, the data suggest that for the 1980's there will only be about a 0.6% increase in the population of the primary market area. This represents about 540,000 people.

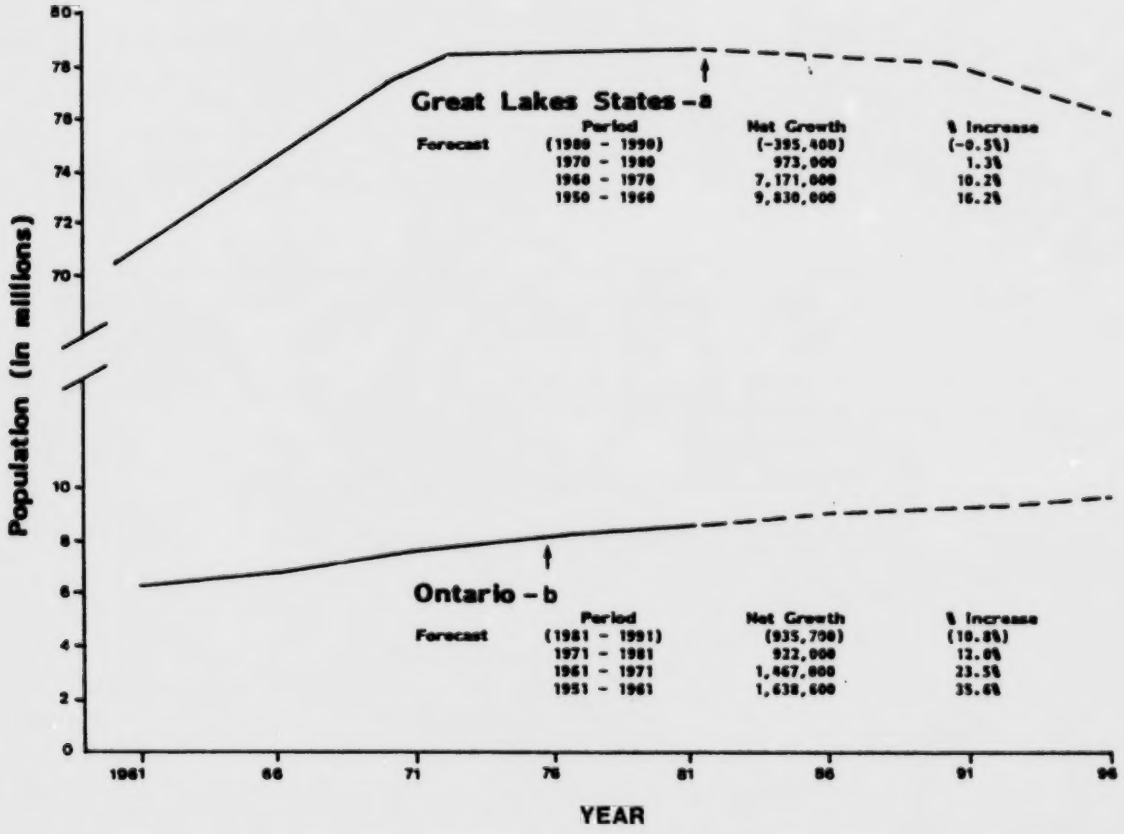
Primary Market Area for Niagara

(Great Lakes States and Southern Ontario)

* Great Lakes States include New York, Pennsylvania, New Jersey, Ohio, Michigan, Illinois, Indiana and Wisconsin.

Figure 1

Population Counts and Forecasts



Source: Bureau of the Census, U.S. Department of Commerce. Population Estimates and Projections.

[a]Series P-25 No. 937 (Washington: U.S. Dept. of Commerce, 1983).

[b]Central Statistical Services Branch, Ontario Ministry of Treasury and Economics, Demographic Bulletin, Vol. 5, No. 11 (Toronto: Nov. 1981) Table 4, p. 13.

TABLE 1

Age of the Population in the Primary Market Area

Ontario[a]								Great Lakes States[b]							
Year	Total Population (Thousand)	0-14	15-19	20-34	35-49	50-64	65+	Year	Population (Thousand)	0-14	15-19	20-34	35-49	50-64	65+
2001	10,086	17.0%	6.3%	20.7%	25.2%	17.2%	13.6%	2000	75,272	20.2%	6.9%	19.5%	23.6%	16.0%	13.8%
1996	9,862	18.3	6.4	22.5	24.4	15.1	12.9								
1991	9,561	19.4	6.6	25.4	22.3	14.3	12.0	1990	78,062	21.2	6.8	24.4	20.6	13.8	13.2
1986	9,175	20.3	7.5	26.9	19.9	14.7	10.7								
1981	8,625	21.9	9.4	26.0	17.9	14.7	10.1	1980	78,458	22.3	9.3	24.9	16.3	15.6	11.6
1976	8,265	25.1	9.8	24.8	17.4	14.0	8.9								
1971	7,703	28.6	9.3	22.3	18.3	13.1	8.4	1970	77,475	28.2	9.1	19.7	17.5	15.5	10.0

Sources:

[a] Central Statistical Services Branch, Ontario Ministry of Treasury and Economics. Demographic Bulletin. Vol. 5, No. 11 (Toronto: Nov. 1981) Table 4, p. 13;

Correspondence with Mr. Tappenden of the Statistical Services Branch of the Ministry of Treasury and Economics; and,

Statistics Canada

[b] Bureau of Census, U.S. Department of Commerce. Population Estimates and Projections. Series P-25 No. 937 (Washington: U.S. Dept. of Commerce, 1983); and,

Bureau of Census, U.S. Department of Commerce Statistical Abstract of the U.S. (Washington: Annual).

b) Age Distribution

It is general knowledge that the birth rate is declining and that the average age of the population is increasing. Since the ease of travelling and the type of vacation experiences is related to the age of the participant, changes in the relative number of children, young adults, and older adults will likely produce changes in the types of vacation which are in demand.

Table 1 provides the population age distribution for Ontario and the Great Lakes States--past, present, and future. Specifically, an attempt has been made to show the relative significance of the proportions of the population that are children, older teenagers, younger adults, mature adults, empty nesters, and seniors.

The expected age structure changes in the primary market area during the 1980's and 1990's are shown in Table 2. Basically these show a continued decline in the younger age groups and a corresponding increase in the older age groups. During the 1980's the "mature adult" group (35-49) and the seniors (65+) are the major growth sectors. During the 1990's the population is expected to decline substantially, but with some increase in the "mature adult" and "empty nester" groups.

In general, the age structures of the population in Ontario and in the Great Lakes States are very similar. At the beginning of the 1980's decade the age structure of the population for the primary tourist market area may be summarized as follows:

	Apprximate Percentage
Children (0-14 years)	22%
Older Teenagers (15-19 years)	10
Younger Adults (20-34 years)	25
Mature Adults (35-49 years)	17
Empty Nesters (50-64 years)	15
Seniors (65 plus years)	11

Since the growing age groups have fairly high rates of tourism activity, the age structure changes in themselves auger well for the tourism industry. However, there may well be changes in the types of recreational experience sought after and further implications of this aspect are considered in Section 5.

c) Household Composition and Characteristics

As shown in Table 3, within the primary market area during the 1970's there has been a decline in the proportion of families with children, a decline in the average family size, and an increase in the proportion of non-family households. In addition, the growing divorce rate has produced more one parent families.

TABLE 2

Population Growth (Decline), By Age Groups, in Niagara's Primary Market Area 1980-1990

Age Groups		Number	Percentage Change
Children	- 0 - 14	-1,016,908	- 5.2%
Teenagers	- 15 - 19	-2,220,322	-27.3
Young Adults	- 20 - 34	- 319,765	- 1.5
Mature Adults	- 35 - 49	+3,889,635	+27.2
Empty Nesters	- 50 - 64	-1,418,752	-10.5
Seniors	- 65 +	+1,626,405	+16.4
Total		+ 540,293	N/A

1990 - 2000

Age Groups		Number	Percentage Changes
Children	- 0 - 14	-1,421,421	- 7.7%
Teenagers	- 15 - 19	- 106,779	- 1.8
Young Adults	- 20 - 34	-4,702,600	-21.9
Mature Adults	- 35 - 49	+2,118,400	+11.6
Empty Nesters	- 50 - 64	+1,653,386	+13.6
Seniors	- 65 +	+ 193,714	+ 1.7
Total		-2,265,300	N/A

Sources: References at bottom of Table 1.

As a result of the above trends, the average party size will quite likely decrease in the next ten years. The decrease in the incidence of family and children-oriented households will likely encourage more trips and more travelling (as the difficulties of travelling with children will not exist to the same extent). Some likely changes include an increase in the demand for more adult entertainment (holidays less oriented to young children), and an increase in shoulder season holidays (less need to schedule vacations to coincide with school holidays). Furthermore, the growing incidence of one parent families will likely mean an increased proportion of severely budget strapped households.

One Canadian report forecasts that families will travel more frequently as a group. However, there will be more separate holidays for both husbands and wives, parents without children, and father/son, mother/daughter vacations. (1)

Furthermore, there will be shorter but more frequent tourist activities due to the difficulty in co-ordinating vacations among family members and friends (mini-holidays of three to four days). (2)

d) Education and Leisure

Education levels affect the inclination to travel and the demand for new experiences for personal development. One United States report indicates that 44 percent of travellers are likely to have some college education, while only 22 percent of the population had this education level. In contrast, those with only a Grade 8 education comprise 25 percent of the population but only 10 percent of travellers. (3)

Table 4 provides some educational information for those 25 years of age and over in the primary market area. These clearly show the improvement in education levels which has occurred during the 1970's.

It is generally accepted that education levels will continue to increase and this will likely affect tourist preferences and encourage the willingness to travel. (4)

e) Major Conclusions

The following are the major conclusions regarding population trends in the primary market area:

i) Slower population growth is expected in the primary tourist market area in the next decade, and during the 1990's the population will likely decline. Although the current population of the primary market area is about 87 million, this is only expected to increase by about 500,000 during the 1980's, and to decrease by about 2 million during the 1990's.

TABLE 3

Household Composition

Ontario[a]

Year	Persons Per Household	% Non Families	% Families	Children Per Family*	% Families With Children**	One Parent Families
1981	2.6	24.6%	75.4%	1.3	67.5%	11.0%
1971	3.4	17.0%	83.0%	1.6	68.3%	8.8%

Great Lakes States[b]

Year	Household	% Non Families	% Families	% Families With Children**	One Parent Families
1980	2.8	26.7%	73.3%	41.0%	10.2%
1970	3.1	19.7%	80.3%	55.1%	N.A.

* Children of different ages
** Children under 18 years of age

Sources:

a - Statistics Canada Households # 93-707, #93-708
Families # 93-721, #93-719
Census Divisions # 95-902
(Ottawa: Census)

b - Bureau of Census, U.S. Department of Commerce
Statistical Abstract of the U.S. (Washington: Annual)

TABLE 4

Formal Education Levels of Adults
(25+ Years of Age)

Ontario[a]

Year	Elementary	Secondary	University
1981	19%	52%	29%
1971	36%	43%	21%

Great Lakes States[b]

Year	Elementary	Secondary	College
1980	17.5%	53.3%	29.2%
1970	27.6%	53.2%	19.3%

Sources: a These data were provided by Statistics Canada.

b Bureau of Census, U.S. Department of Commerce. Statistical Abstract of the U.S. (Washington: Annual)

ii) If the low birth rates continue, there will be a smaller proportion and number of children and young people, but the 35 to 49 and the 65+ age groups should increase substantially during the 1980's.

iii) The declines in the number of people per household, in the proportion of families with children, and in the average family size that occurred during the 1970's are expected to continue. As well, non-family households as a proportion of total households, will probably increase.

iv) The improved educational levels are expected to continue, and to increase the inclination to travel.

The implications of the above trends are discussed in Sections 5 and 7.

Footnotes to Section 2

[1] L.J. D'Amore, "Tourism In Canada - 1986". Marketing Travel and Tourism, Proceedings of the Travel Research Association, 7th Annual Conference (Salt Lake City, Utah: University of Utah, 1976). p. 103.

[2] D'Amore (same as reference 1). p. 102.

[3] Edward J. Casson, corporate economist for the American Express Company, quoted in Carl Spielvogel, "Marketing and Communications Implications for Tourism and Travel in the '80's". The 80's: Its Impact on Travel and Tourism Marketing, Proceedings of the Travel Research Association, 8th Annual Conference (Salt Lake City, Utah: University of Utah, 1977). p. 192.

[4] G. Taylor, 1981 and Beyond. Remarks made to Canadian Government Office of Tourism Canadian Managers Meeting, Halifax, Nova Scotia, November 6, 1979. p. 9.

Section 3

ECONOMIC TRENDS

3. ECONOMIC TRENDS

a) The Effect of the Economy on Tourism

During the 1970's there have been profound changes in economic conditions, especially unemployment rates, price levels, and the cost and availability of gasoline. How have these changes affected travel behaviour?

To begin with the number of travellers, rather different trends appear for Canada and the U.S. During the 1970's Canadians were making record numbers of vacation trips[1] and in Ontario, as shown in Figure 2, trips by Canadians continued to increase. Meanwhile the inflow of U.S. visitors declined only slightly during the mid 1970's, and dramatically increased between 1980 and 1982. Although some of the trips in the 1980 to 1982 period were to buy gasoline, overall the levels of travelling in Ontario have stayed high.

Information for the U.S., however, suggests a different trend. Data for vacation household trips in the U.S. (see Figure 3) show a declining number of trips between 1976 and 1979 with some recovery since then. The 1979 low was traced to the widespread perceived notion of a gasoline availability problem.[2] Also, during the last few years, some theme parks in the U.S. have linked their declining patronage to foregone weekend trips, stemming from the cost and availability of gasoline, but this may have been augmented by the less favourable general economic conditions, particularly higher unemployment and inflation rates.

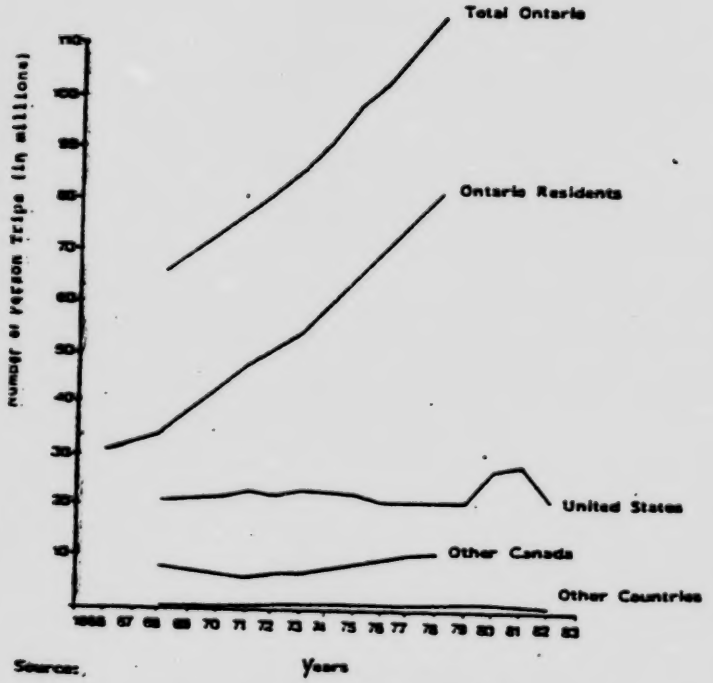
Thus, in short, it appears that energy issues have had a more profound effect on travelling volumes in the U.S. than they have had in Canada, but overall it appears as if there has been some recovery to earlier levels during the past few years.

In considering the effect of economic changes on travel behaviour, there are two perspectives thay may apply. The first view is that people consider vacations to be a "Right" or "Necessity" and one activity which they will try to do at all costs.[3] In some cases the vacation will be preserved by using more energy-efficient transportation modes, or by reducing other discretionary spending. Another view is that the cost and availability of gasoline do affect the ability and willingness of people to travel, and as it becomes more expensive some people forego the vacation trip.[4]

In terms of the importance of the vacation, U.S. surveys report that the family's annual vacation has a higher priority in the household budget than new purchases of items such as a car, furniture, and appliances.[5] As shown in Table 5, financial concerns represent the single largest reason that affects the decision to travel. Gasoline costs and availability concerns have been declining in importance since 1979.

FIGURE 2

TRAVELLERS TO AND WITHIN ONTARIO BY ORIGIN



Source:

Travellers consist of residents of Ontario (and Other Canadian Provinces) who travel, for any purpose, to destinations 25 miles or more (one-way) away from home. Daily travel from home to work is excluded, along with commercial truck operators and inter-city public transport operators.

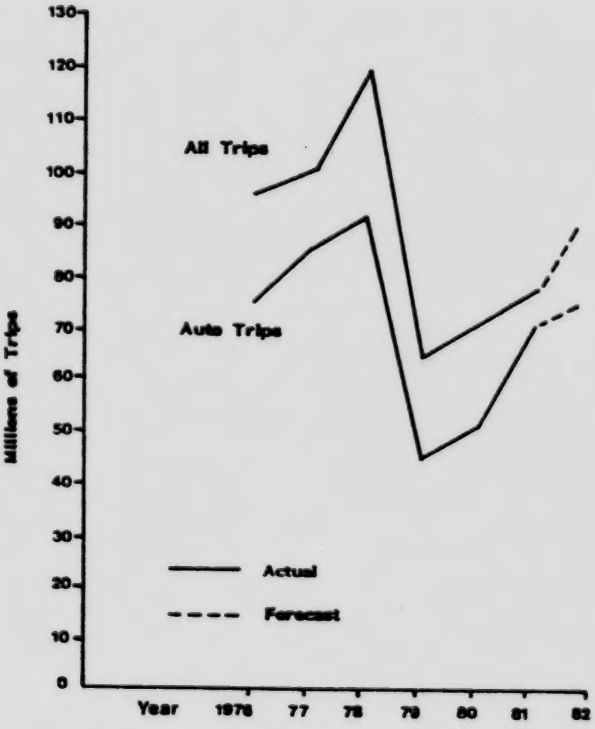
1966-1977 - Ontario Ministry of Industry and Tourism. The Importance of Tourism to the Ontario Economy 1976 (Toronto: 1978) p. 19.
1968-1978 - Ontario Ministry of Industry and Tourism. Tourism Statistical Handbook. Editions 1979, 1975, 1973, 1970 (Toronto: different dates).
1966-1967 - Ontario Ministry of Industry and Tourism. A Study of the Travel Habits of Ontario Households--1967. Report No. 24 (Toronto: 1969) pp. 23 and 51.

Travel by residents of the United States (and other countries) to Canada who visit for a period of less than 12 months, and clear Canada Customs and Immigration, and with Ontario as the main destination. For the years 1968 to 1971 the data included transport operators but this represents a relatively small number & does not warrant an estimated correction).

Statistics Canada. Travel Between Canada and Other Countries. Catalogue No. 66-001.

Figure 3

U.S. All Vacation Household Trips and Auto Vacation Household Trips



Source: G. Ganschaw, "1982 Outlook for Transportation: Automobile Travel." Proceedings, 1982 Outlook for Travel and Tourism (Washington, 1981). This publication was sponsored by the U.S. Travel Data Centre, and the Travel Research Association.

TABLE 5

Why Households Either Do Not Plan to Take or Are Unsure of Their Vacation Plans

Percent of U.S. Households Who:			1981	1982
Will Not Vacation			29%	19%
Are Unsure of Vacation			20%	30%
Reasons	**1979**	**1980**	**1981**	**1982**
Financial	27.3%	37%	36%	39%
Personal	22.7%	22.4%	25%	13%
Cost of Gasoline	9.1%	8.4%	2%	1%
Availability of Gas	4.5%	7.7%	*	0%
Work Schedule	22.3%	10.9%	11%	8%
Does not Plan			16%	25%
Other	13.7%	13.6%		
Don't Know			12%	13%

*Less than 0.5%

Source: G. Ganschaw. "1982 Outlook for Transportation: Automobile Travel." Proceedings: 1982 Outlook for Travel and Tourism, (Washington, 1981). p. 101

With respect to type of vacation, there are also some unclear patterns. During the recent recession weekend trips in the U.S. were eliminated or reduced so that one longer vacation trip could be taken. This suggests weekend trips are somewhat of a luxury.[6] A different argument, however, is that weekend trips have increased to compensate for delayed or foregone longer vacations.[7] Overall however weekend trips are reported to be increasing, which may be due to such factors as the improving economy and the time problems of getting longer holidays for the two-worker households.

Either way, the following quotation suggests that different markets are evolving due to different responses to economic difficulties.

> "The impact of the recent economic crunch seems to be reflected in two very different kinds of travel markets. ("Different strokes for different folks"). At the one end, the price/value concern which was stimulated by the need for economy may leave people more receptive to package deals and economy accommodations. For these people, it is more important to be able to travel at all than to aspire

> to luxury travel or the grand tour. At the other end of the scale, there is a continued and unabating desire for luxury travel, luxury accommodations, status luggage, and all the trimmings."[8]

In short, people still view the annual vacation as a very important priority item. However the response to economic difficulties is to adjust the vacation in a number of ways - some people take a few weekend trips rather than a long vacation, others do away with the short weekend trips to protect the long vacation, some take a shorter trip and stay in economical accommodations, others (a minority) decide to stay at home. One overall conclusion reached by a U.S. market analyst is that:

> "I feel secure in predicting that the larger part of this group (the travellers) will continue to travel less distance, stay for a shorter period at the destination, and be far more price conscious than in the past."[9]

Finally, the data for the 1970's shown in Table 6 indicate that travellers were taking fewer overnight trips, and trips with a slightly shorter length of stay and distance. A 1983 study in Ontario also noted that, while the average length of stay in an area decreased during the 1960's, that trend has now been reversed and people are staying longer in one destination.[10]

Reported observations of tourist behaviour do not help in determining a clear trend of cause and effect relationships. Some U.S. reports note that mileage trends seem to be lengthening and that the number of shorter trips has also increased, both of which may be considered consistent with an improving economy.[11] Other reports note a trend towards modest vacations and a growing shoulder season market which is consistent with a tighter market and uncertain budgets.[12] The changing seasonal nature of trips (see Figure 4) is also attributed to a growing number of seniors who favour spring and fall for travel, staggered industrial vacations, as well as the crowding in the summer peak season.[13] One forecast is for a somewhat broader distribution of tourism throughout the year (see Figure 4).

TABLE 6

Trip Characteristics

Proportion of U.S. Trips to Ontario Overnight(a)		Proportion of Canadian Trips in Ontario Overnight(b)		Average Length of Stay of Trips in Ontario(c)		Average Trip Length By Canadians (In Miles)(d)			Proportion of Canadian Trips Less Than 450 Miles(e)		
				U.S Visitors			In Canada	In U.S. (Mainland)		In Canada	In U.S. (Mainland)
1982	21.9%			1977	2.4 days	1981	756	1386	1981	55%	24%
1981	16.2			1974	2.6 days	1980	759	1247	1980	52	22
1980	17.1	1980	65.0%	1973	2.5 days	1979	816	1546	1979	49	16
1979	24.7	1979	65.5								
1970	27.9	1966/67	84.3								

Sources: (a) Statistics Canada, Travel Between Canada and Other Countries. Catalogue 66-001 (Ottawa: Quarterly)

(b) Statistics Canada, Travel, Tourism and Outdoor Recreation: A Statistical Digest, 1980-1981. Catalogue 87-401 (Ottawa: Bi-Annually) p. 37.

Statistics Canada, Canadian Travel Survey, 1979 and 1980. Catalogue 87-504 (Ottawa: 1982) p. 58.

Ontario Department of Tourism and Information, A Study of the Travel Habits of Ontario Households. Report No. 24 (Toronto: 1969)

(c) 1977 (U.S. Visitors): Statistics Canada. Travel, Tourism and Outdoor Recreation - 1976/77. Catalogue 66-202 (Ottawa: Annual) p. 113.

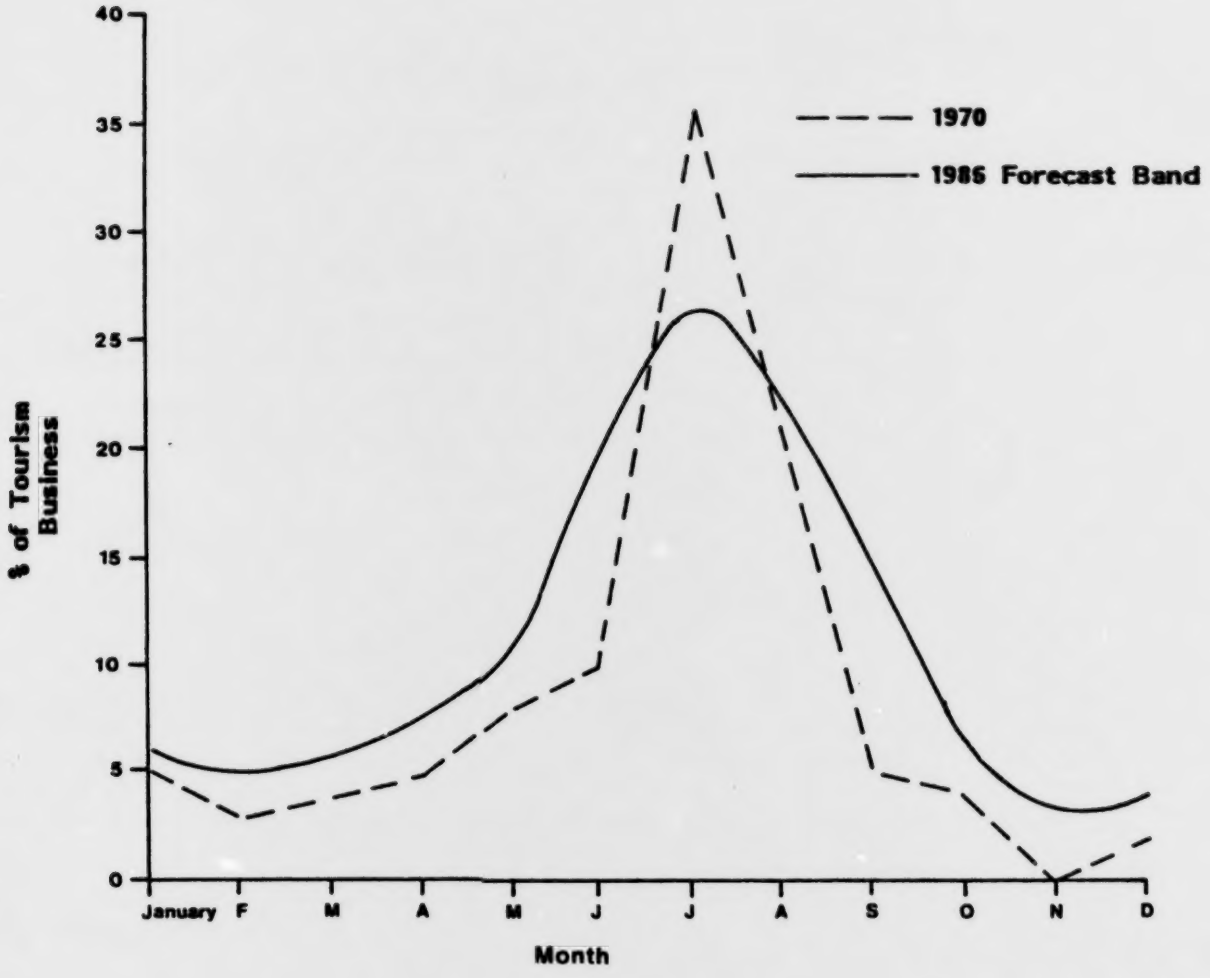
1973/74 (U.S. Visitors): Ontario Ministry of Industry and Tourism. Tourism Statistical Handbook (Toronto: 1979) p. 42.

1973 Summer (U.S. Visitors): Ontario Ministry of Industry and Tourism. Tourism Development in Ontario. A Framework for Opportunity. Prepared by Balmer, Crapo & Associates Inc. (Waterloo: 1977) p. 123.

(d)&(e) Vacation Travel By Canadians in 1981. Research Analysis, Policy Planning and Coordination, Canadian Government Office of Tourism.

Figure 4

The Seasonal Nature of Tourism in Canada



Source: L. D'Amore, "Tourism In Canada - 1986". Marketing Travel and Tourism, Proceedings of the Travel Research Association 7th Annual Conference (Salt Lake City, Utah: University of Utah, 1976).

b) Inflation and Exchange Rates

If prices of goods and services rise faster than incomes, discretionary spending would be cut and the financial ability to travel would be curtailed. Furthermore, recent studies of consumer behaviour have indicated that high rates of inflation cause the consumer to increase his savings rather than spend.[14] Consequently inflation is not good for the tourism industry.

In an attempt to avoid high travelling costs, tourists may be encouraged to visit areas where prices are relatively low. It has been stated that tourists get more for their money in Canada because of the devalued dollar ($1 dollar American equals $1.22 Canadian, September '83), but it has been argued that they do not necessarily get more value for their dollar.[15]

In general, the difference between prices in Canada and other countries affects the relative attractiveness of shopping and travelling in Canada. However, changes in prices due to inflation in one country bring about compensatory changes in the foreign exchange rate. Figure 5 shows the general movement in price levels in Canada and the U.S.A. (Consumer Price Index) as well as the movement in prices of those goods and services that most effect the cost of travelling (Travel Price Index).

Three things are clear from Figure 5:

(i) the general price level (Consumer Price Index) rose faster in Canada than in the U.S.

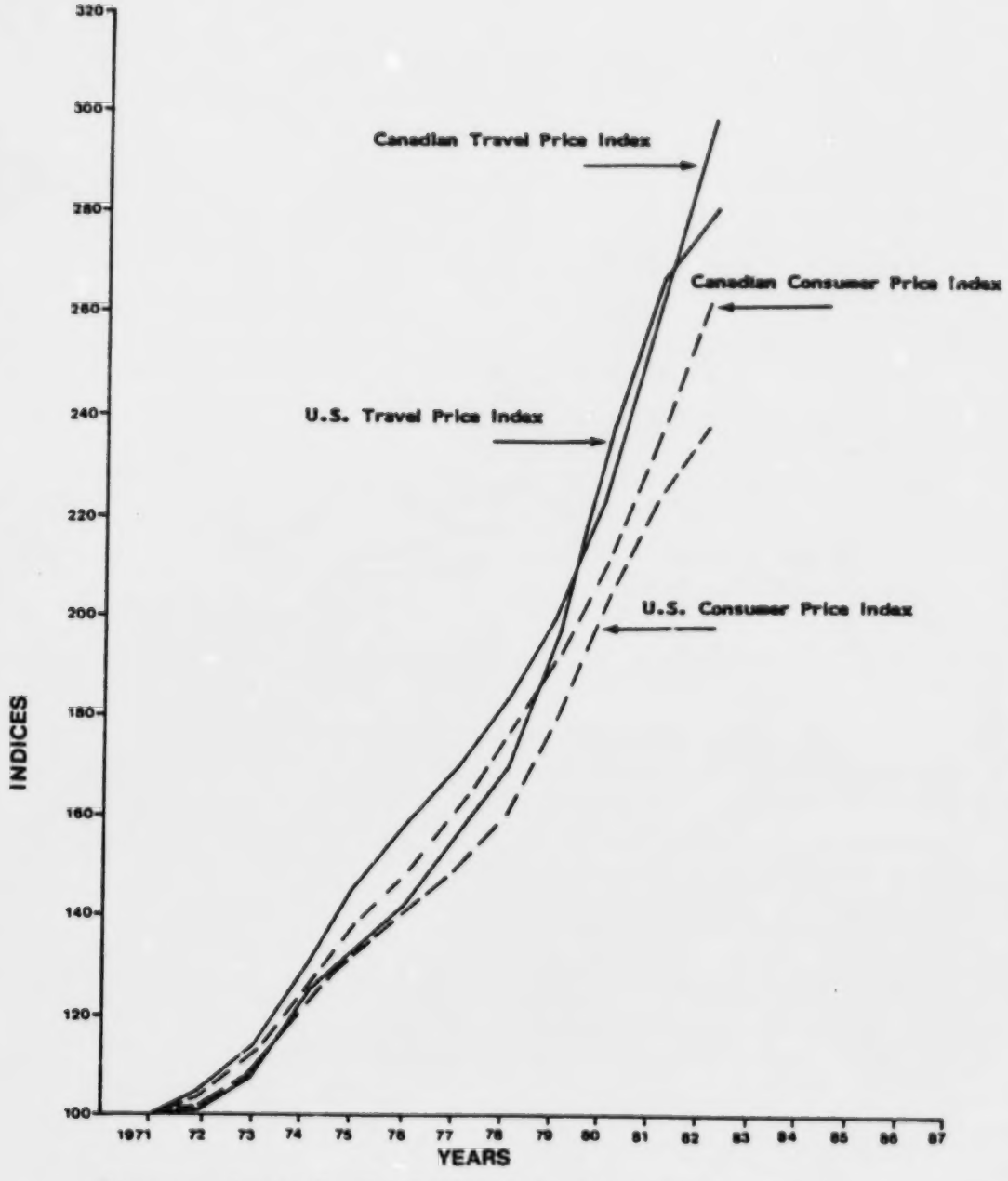
(ii) the prices that most affect travellers (Travel Price Index) have risen faster than the general price level (Consumer Price Index)

(iii) the Canadian Travel Price Index has risen faster than the U.S. Travel Price Index.

To properly consider the relative price advantages or disadvantages of travelling in Canada, however, changes to the U.S.-Canada foreign exchange rate must be considered. Figure 6 indicates movements in the foreign exchange rate. It is evident that as the general prices in Canada rose higher than those in the United States the value of the Canadian dollar declined (as partial compensation for changes in prices). In addition, Figure 6 shows the net effect on travellers (i.e. the effective price for U.S. travellers in Canada, after considering general price movements and exchange rates). It is clear that in 1980 and 1981 there was more incentive for Canadians to take their holiday in Canada and for Americans to visit Canada. This is consistent with our findings in Figure 2 that in 1980 and 1981 Ontario obtained an unprecedented number of American travellers which tapered off in 1982 along with a decline in the effective price index.

Figure 5

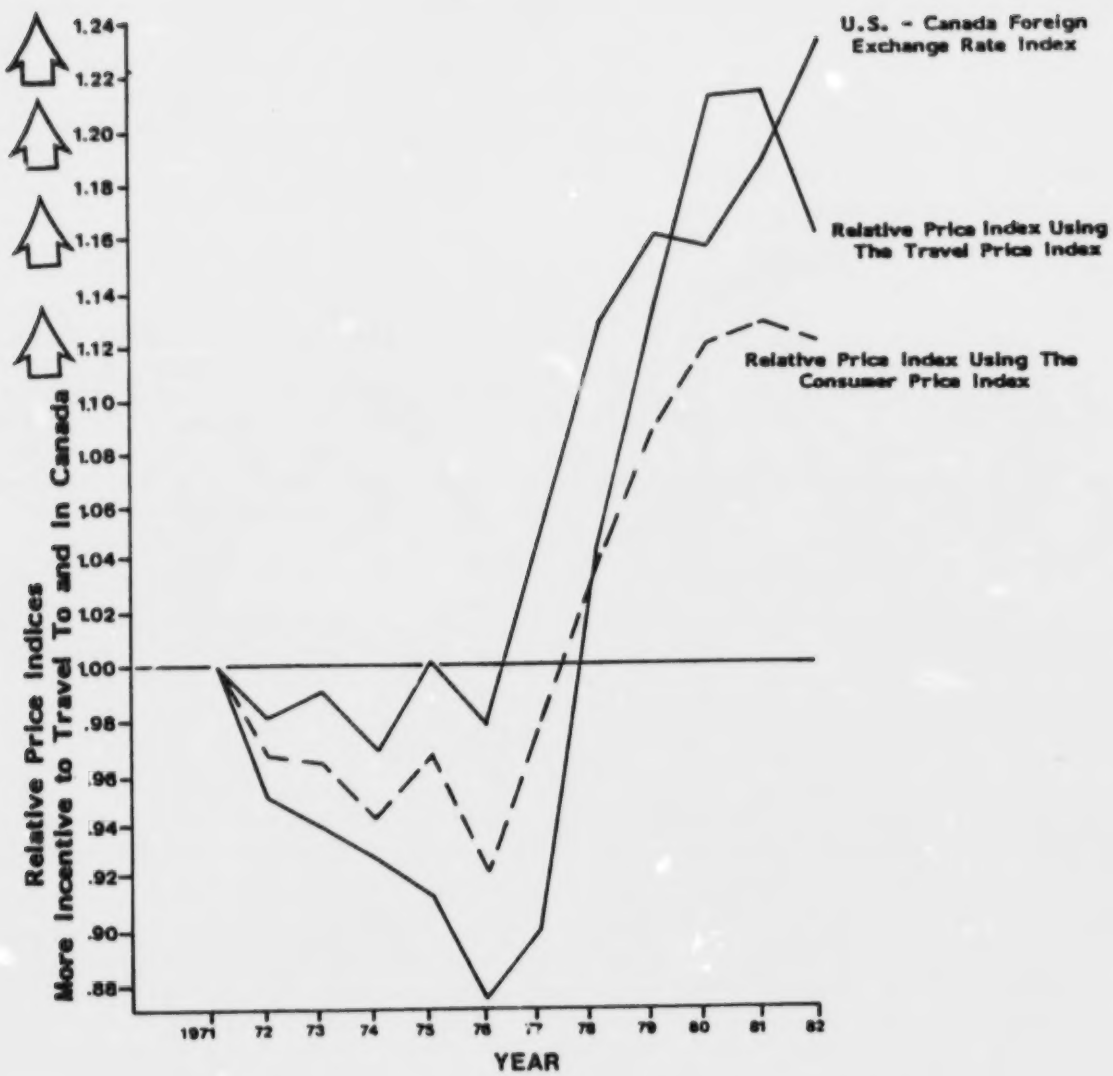
Canadian and American Price Indices



Source: Appendix B, Tables B-1, B-2, B-3.

Figure 6

Exchange Rate and Relative Price Indices



Source: Appendix B, Tables B-1, B-2, B-3.

Finally, the above review suggests that the cost aspects of a Canadian vacation have improved relative to those of a U.S. holiday. Much of this improvement however is due to the drop in the values of the Canadian dollar. Recently, there has been much publicity regarding the costs of a Canadian holiday as compared to a vacation in the U.S. with the major claim being made by executives of the travel trade that Canadian costs are substantially higher, and that this has been a major factor in the continuing tourism deficits that Canada experiences with respect to other areas.[16]

This claim is difficult to substantiate because of the many costs that are involved, because of the different quality of services, and because of the fluctuating exchange rates. However, to the extent that this is a common perception, it is clearly a disadvantage in terms of encouraging visitors to this country. Also of course, if the Canadian dollar rises in value this would tend to have an adverse affect on the competitiveness of the industry.

c) Income and Employment Trends

People cannot travel without the financial means to purchase goods and services. This basically requires an income large enough to cover the household's necessities, with some left over for leisure time activities. During the past decade, the demand for necessities has not risen as fast as real income, so that as a family or an individual has increased their income above a required amount, they have had more left for discretionary purchases such as travel. Whether or not this trend will continue in the currently more difficult economic environment is questionable.

However, during the past decade, income levels in both Ontario and the Great Lakes States have substantially increased (see Table 7). Figures 7 and 8 show that, during that period, the personal disposable income per capita in Canada rose faster than Canadian and U.S. travel prices so that Canadian disposable incomes have been rising faster than travel costs. For Americans, however, it was only after 1977 that the effect of the accumulated increases in disposable income since 1971 surpassed the corresponding effect of increases in the cost of travelling in Canada.

With respect to economic forecasts, we are entering uncertain territory. However, two projections of the Economic Council of Canada (1982-1987) and the Conference Board of Canada (1983-1988) suggest very moderate increases in the Canadian real wage rate (.8% and .1% per year) and minimal reductions in the unemployment rate (reductions of .4% and 1.3% in Canada and 2.3% in the United States).[17] In summary, these economic forecasts suggest that during the 1980's it is unlikely that the real spending power of households in the tourist market area will experience much if any increases. A different forecast for real income per capita in Canada suggests more spending power during the next decade, and suggests that more people will be in the middle income

TABLE 7

Income
(1981 Dollar Canadian Values)

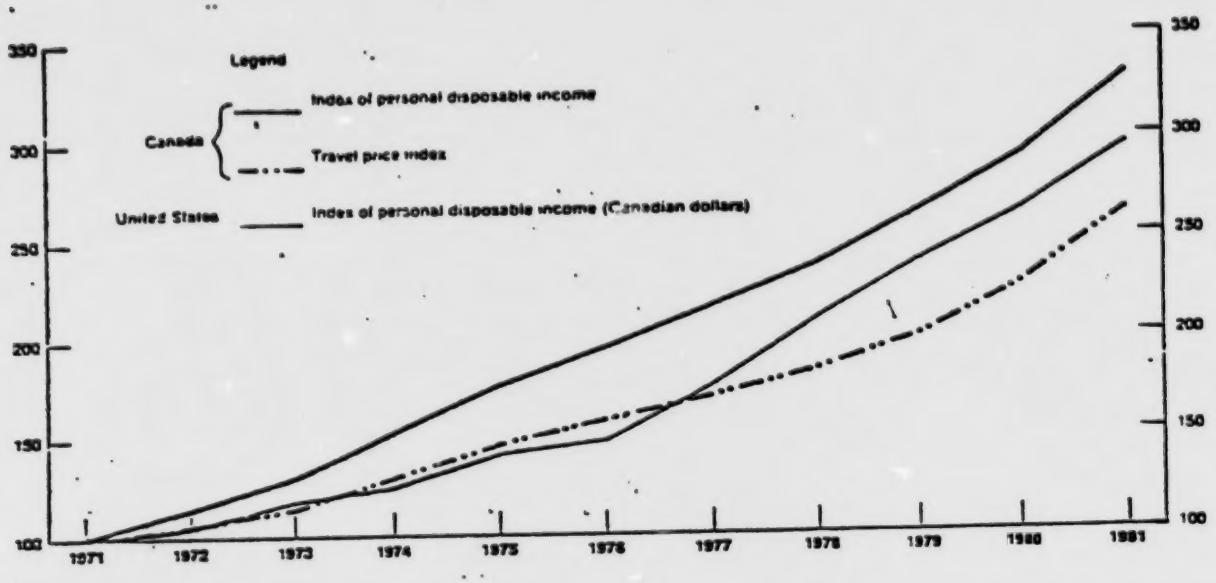
Ontario[a]			Great Lakes States[b]		
Year	Average Income Per Capita	Average Income Per Household	Year	Average Income Per Capita	Average Income Per Household
1981	$12,530	$36,388	1980	$12,858	$36,342
1971	$ 9,523	$32,924	1970	$10,444	$33,409

Sources: [a] Statistics Canada reports.

[b] Bureau of Census, U.S. Department of Commerce, Statistical Abstract of U.S. (Washington: Annual)

FIGURE 7

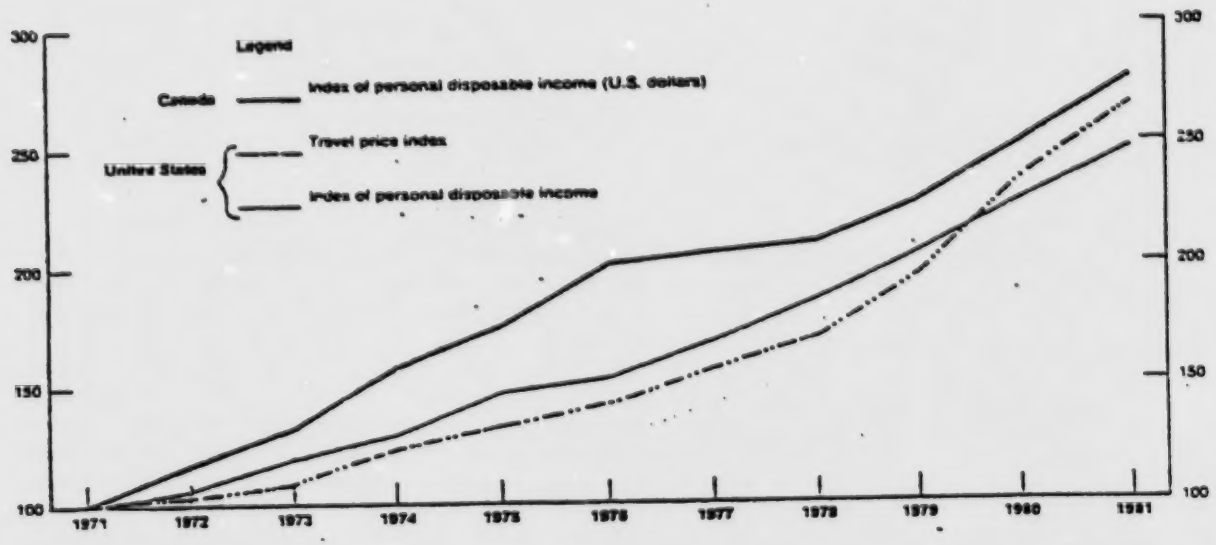
Travel Price Index, Canada and Indices of Personal Disposable Income Per Capita, Canada and United States (Canadian Dollars), 1971-1981



Source: Statistics Canada, Travel, Tourism and Outdoor Recreation: A Statistical Digest, 1980/81. Catalogue 87-401

FIGURE 8

Travel Price Index, United States. and Indices of Personal Disposable Income Per Capita, Canada (U.S. Dollars) and United States, 1971-1981



Source: Statistics Canada: same as Figure 5.

category, and that a more even distribution of income is probable.[18] However, high unemployment would discourage travel, drastically reducing discretionary income for some people, and would tend to lessen any trend to a more even distribution of income. The forecasts that support favourable income trends argue that more travelling and higher expenditures per tourist may be expected, and that rising incomes coupled with more leisure time will permit families to travel more frequently as a group. In addition to the increased number of short trips, there will be more long duration trips and extended travel to more distant regions.

Wage settlements are another factor that will affect vacation trends. The amount of increase and whether or not there is increased job sharing or four day work weeks will affect both the income and the amount of leisure time available for travel.

Thus, although economic conditions are of key importance to the travel industry, it is unclear as to what is likely to happen in that sphere. The major cloud on the horizon is the expectation of continued high unemployment rates.

d) Major Conclusions

i) During the 1970's, the effect of less favourable economic conditions on travelling has been more noticeable in the U.S. than in Ontario. Financial and personal reasons were the major factors for U.S. households not taking a vacation or being uncertain about their vacation plans. Gasoline costs and availability was the third most important reason for not taking a holiday or being uncertain about their plans, and this aspect has declined substantially in importance since 1980. Thus, to date, gasoline costs have had an effect on tourism but not as great an effect as might have been expected. However, substantially increased gasoline costs or gasoline shortages would undoubtedly inhibit recreational travelling.

ii) The recent economic conditions have accentuated the sub-markets, some of which are concerned about economical vacations, and others of which still primarily involve luxury travellers.

iii) With regard to those who are looking for an economical vacation, they will likely travel less distance, stay for a shorter period of time at the destination, and be more price conscious.

iv) During the 1970's Canadians have generally been in a better position than Americans with respect to incomes, which have risen faster than travel costs. This situation only occurred for Americans after 1977.

v) Although, since 1971, tourism related prices have risen faster in Canada than in the U.S., since 1978 the change in the exchange rate has compensated for this. By 1980 and 1981 increases in travel related prices in Canada and the U.S., and the exchange rate, made it more favourable to travel in Canada relative to the U.S. than had been the case in 1971. This improvement was reflected in an unprecendented number of American visitors to Canada. However, in view of the many costs that are involved, the different quality levels for service, and fluctuating exchange rates, it is very difficult to compare tourism costs in different countries.

vi) Economic forecasts suggest generally favourable conditions for tourism in the 1980's, although the expected continuing high unemployment rates are a major cloud on the horizon.

In summary, economic trends are less predictable than they have been in the past, and also less predictable than many of the demographic, social, and attitudinal changes which are underway. Thus although economic conditions provide the key underlying context within which tourism occurs, it is very difficult to make definitive statements as to what is going to happen. However in the current difficult economic times and in the expected foreseeable future, "value for money" will likely remain an important consideration for most travellers.

Footnotes to Section 3

[1] R. Groome, "Turning Data Into Dollars". Innovation and Creativity in Travel Research and Marketing: Key to Survival and Opportunity, Proceedings of the Travel Research Association, 12th Annual Conference (Salt Lake City, Utah: University of Utah, 1981). p. 55.

[2] G. Ganschaw, "1982 Outlook for Transportation: Automobile Travel". Proceedings: 1982 Outlook for Travel and Tourism. Sponsored by the U.S. Travel Data Centre, and the Travel Research Association (Washington: 1981), p. 100.

[3] Groome (same as reference 1). p. 55.

[4] Ganschaw (same as reference 2). p. 100.

[5] N. Elder, "Who, What, Where, When, Why, and How". A Decade of Achievement, Proceedings of the Travel Research Association, 10th Annual Conference (Salt Lake City, Utah: University of Utah, 1979). p. 93.

[6] G. Taylor, 1981 and Beyond. Remarks made to the Canadian Government Office of Tourism Canadian Managers Meeting, Halifax, Nova Scotia, November 6, 1979. p. 6

and

D. Frechtling, "Travel Trends in 1981". Outlook for Travel and Tourism, Proceedings: 1982 Travel Outlook Forum (Salt Lake City, Utah: University of Utah, 1982) pp. 17 and 25.

[7] G. Phillips, "Travel Marketing in the New Economy". Proceedings: 1982 Outlook for Travel and Tourism (Washington: 1981). p. 86.

[8] R. Bartos, "Social Change and the Travel Marketer". Marketing, Travel and Tourism, Proceedings of the Travel Research Association, 7th Annual Conference (Salt Lake City, Utah: University of Utah, 1976). p. 195.

[9] Phillips (same as reference 7). p. 87.

[10] Pannell, Kerr, Forster, Campbell, Sharp (Management Consultants), The Future of the Ontario Motel Industry. Prepared for Accommodation Motel Ontario Association (Toronto: 1983). p. 15.

[11] Frechtling (same as reference 6). pp. 17 and 20.

Footnotes to Section 3 (continued)

[12] D. Frechtling, "Travel in the 1980's: The Demographic and Economic Climate". The 80's: Its Impact on Travel and Tourism Marketing, Proceedings of the Travel Research Association, 8th Annual Conference (Salt Lake City, Utah: University of Utah, 1976) p. 14.

[13] Pannell, et.al. (same as reference 10). p. 10.

[14] Frechtling (same as reference 12). p. 14.

[15] Pannell, et.al. (same as reference 10). p. 10.

[16] F. Lebolt, "Tax Hike Jolts Tourism Industry". Toronto Star, October 17, 1983.

and

C. Swayze, "Our Growing Tourism Deficit". St. Catharines Standard, October 22, 1983.

[17] Economic Council of Canada, Annual Review: Room for Manoeuvre. No. 18 (Ottawa: 1982). p. 24.

and

P. Cook, "Economic Recovery: Is It All But Over?" The Globe and Mail, Thursday, September 29, 1983. p. 1.

[18] L.J. D'Amore, Tourism in Canada - 1986". Marketing, Travel and Tourism, Proceedings of the Travel Research Association, 7th Annual Conference (Salt Lake City, Utah: University of Utah, 1976) p. 102.

Section 4

SOCIAL AND ATTITUDIONAL TRENDS

4. SOCIAL AND ATTITUDINAL TRENDS

In this section of the report, some emerging social and attitudinal trends related to tourism are identified. Some of the discussion deals with broad social and motivational issues as these influence peoples' decisions on whether or not to take a vacation, where to go, what to do, etc. Much of the information is based on marketing analysts' views of travel trends in the U.S., which are considered to be generally representative of current or emerging trends in Canada and Southern Ontario. Although some of the material may not seem to be immediately applicable to the Niagara situation, it is argued that these are important trends which are relevant to tourism development both here and elsewhere.

Before, however, dealing with the trends it should be emphasized that they developed out of the generally favourable economic conditions of the 1970's. If these were to change for the worse, obviously some of the trends would quite likely also change.

a) Emphasis on Self-Fulfillment

A recurring theme which appeared in the travel literature was the emphasis on self-fulfillment. Consider for example the following quotations:

> "Our work has shown that the cornerstone of the "New Values" Revolution of the 1960's is: Change from Protestant Ethic Concept of Self-Denial (denial of individuality, denial of current desires/needs, denial of self-interest "first" etc.) to New Focus-on-self: Who am I? Am I expressing myself? Am I fulfilling myself? How do I look? How do I feel?
>
> A thrust toward "Self-fulfillment" (realizing one's full potential and thereby deriving psychic rewards) is part of the new values. This is linked to Focus-on-Self and to Anti-Materialism."(1)

> "Consumer spending on what can be called life enrichment will continue. Besides education, entertainment and hobbies, travel should be the main beneficiary of this trend. Goods will compete, of course, with services for the growing discretionary income but there you bump into the saturation level much sooner...."(2)

> "People are more interested in living than in acquiring....The move away from a desire to own things towards a desire to experience things has had direct benefit for the travel industry."(3)

The above works suggest that North American society may have entered a new phase in which obtaining self-fulfilling or life enriching experiences has become more important than accumulating possessions. Since travel and vacation are an important way to provide new experiences, this concept has profound marketing implications for the tourism industry, and directly relates to most of the following trends.

b) The Importance of Vacations

As already indicated, people view vacations as being very important. The following quotation from a marketing analyst, emphasizes this:

> "For all our respondents, vacations are an important part of their lives, being viewed more as a "necessity" than as a luxury...."(4)

The common aspect looked for in a vacation appears to be relaxation which means different things to different people. Thus, it may mean lying on a beach, sightseeing, partying, a time for family togetherness, excitement, shopping, education, and many other types of experience. A successful vacation allows the vacationer to return to his or her everyday life more prepared to cope with the stresses and strains of the workaday world.(5)

The marketing challenge, therefore, is one of identifying the types or vacations which provide relaxation to different groups of tourists, and ensuring that these are available, well-publicized, and efficiently operated.

c) Segmented Tourism Markets

Once again this trend is very clearly identified by market analysts, as indicated in the following quotations.

> "As the economy erodes traditional markets, we must face up to and sell to DIFFERENTIATED markets. We must accept the segmentation in our market, no longer and indeed not for some time an undifferentiated mass."(6)

> "My last tip is to recognize the growing polarization in consumer needs. We are now dealing with a very sharp and discriminating shopper, particularly those who are well educated--the very people who tend to travel most and spend the most money."(7)

> "The future tourism product will be developed according to individual areas of interest, from archaeology to zebras, from art seminars to vacation farms."(8)

Much of the marketing work now being done for specific tourism operations and for larger areas involves "segmentation analysis", which is the identification of different tourist groups. One such study of tourism in New York State identified four major tourist groups - Outdoor Enthusiasts, Young Fun Lovers, Sun Resorters, and Culture-oriented vacationers.(9) The profile for the "Outdoor Enthusiasts" group is shown below as an example of the type of information which was produced.

d) Package Vacations

Largely in response to the trend noted above, consumers, it appears, are increasingly using package vacations. These can cater to weekend travellers, to special interest groups, to the elderly, and other market segments. Again the key aspects are that the vacations are tailored to the needs of the participants, and that they are organized in advance to most effectively use the limited time at the vacationer's disposal.

Outdoor Enthusiasts

WHO THEY ARE
- Mostly married with children
- Cross-section by age and income
- Fewer have college education
- Majority are men
- Small-metropolitan/rural skew

WHAT THEY LOOK FOR
- Country vacation
- Beautiful scenery, mountains, lakes, parks
- Unspoiled beauty
- Most vacation during warm months

WHAT KINDS OF FACILITIES
- Not preoccupied with quality
- Little interest in luxury, "extras"
- Many go camping
- Little interest in packages
- Spend less than others

WHAT THEY LIKE TO DO
- Focus on nature and the outdoors
- Fishing or hunting, sailing, hiking
- Less interest in beach, swimming
- Little interest in nightlife
- Low interest in golf, tennis, skiing

WHERE THEY GO
- Majority (2/3) vacation in the North
- Favor New England and New York State
- Least likely to take a city vacation, or go overseas

Source: William S. Doyle, Joseph Pernica, and Martin Stern, "Some Technical Aspects of a Recent Study of Tourism in New York State". The 80's: Its Impact on Travel and Tourism Marketing. Proceedings of the Travel Research Association, 8th Annual Conference (Salt Lake City, Utah; University of Utah, 1977) p.118.

e) Weekend Trips and Mini-Vacations

Generally it appears that the single long vacation has been substantially replaced by a number of shorter trips. Who takes these trips?

First with respect to the U.S.,

> "Younger adults, ages 25 to 44, tend to take weekend or week-long vacations rather than extended vacations... The unique characteristic of this group, other than their economic affluence, is the presence of time restrictions. Because of the complexity of bringing together two or more persons, probably working for different companies, the travel industry will have to become extremely sensitive to their needs. This means short, well-planned vacations, which are confirmed and arranged before the travellers even leave their doorstep."(10)

Another writer noted that:

> "The lifestyle and attitudes of young people, particularly those who are both working, are suited to the long weekend away from home. I predict increasing popularity for special four-day package vacations which are fixed in prices and again, pre-paid."(11)

Thus, one group which seems to favour short or weekend vacations is the young, two-income family who find it more convenient to go off for weekend or for shorter holidays which are quite often tailored to some particular item of interest--e.g. golf, skiing. Flexible work hours and four-day work weeks could increase the potential for weekend travel.

As indicated earlier, (page 15) other aspects of the shorter vacations are less clear particularly in terms of whether or not these are substitutes for one long holiday. However, be that as it may, the trend towards more short and weekend trips was clearly identified.

f) Value for Money

The effect of difficult economic conditions and the more educated and discriminating tourists, have combined to develop an increased emphasis on obtaining "value for money" For example:

> "More consumers are more discerning, more demanding, more sophisticated. They are willing to pay more for a better product. They are not willing to pay anything for a product they do not see with major value."(12)

> "Travellers are demanding value for money, and they are demanding travel packages more directly connected to their personal interests and lifestyles."(13)

In giving "value for money", old fashioned service is still important. An executive vice-president of a major U.S. advertising company gives the following advice:

> "Concentrate on improving the people skills of your staff. In a service business, people make the difference. When times get tough, companies tend to reduce the number of employees on the line which places more demands on those that remain.
>
> This is a difficult situation, but poor skills can ruin the best conceived marketing plan, the best products and services, and the best advertising. On the other hand, great people skills can often overcome deficiencies in product and advertising."(14)

Clearly it appears that the increased "consumerism" of the tourism industry will impose a demand from the public that tourism operations provide a quality of service which they perceive to adequately conform to the cost. Thus, it has implications for services oriented to both the wealthier tourist and the more budget-conscious middle and lower income traveller.

g) The Changing Role of Women

The role of women in society continues to change in several important ways.

Firstly, women have become an important part of the workforce. In the U.S., 40 percent of all adult women worked in the early 1970's, but today the ratio is closer to 50 percent. The wife's income averages about 60 percent of her husband's and is used for the extras such as a more expensive vacation. The proportion of all families in the U.S. having two or more individuals earning a pay cheque was about 80 percent in 1977. With respect to expenditures it appears that:

> "The family whose upper-income status is dependent on the pay of the second earner spends its money somewhat differently from those in which the husband is the sole provider. Many women move in and out of the labour force according to economic needs and circumstances at any particular moment, and hence the family is disinclined to assume large, long-term financial commitments, such as a more expensive home, which would oblige the wife to continue almost indefinitely. Extra resources are more likely to go to such luxuries as frequent or exotic vacations, or an upgrading of the family car."(15)

Secondly, there is a clear trend towards delayed marriage, non-marriage, and divorce, all of which result in more single persons. Also, there is a trend towards families having fewer children. The increased proportion of single people and of single-parent families all suggest that the traditional husband/wife/children arrangement has fundamentally changed.

In terms of the effects of these trends on tourism, the following summary dealing with "Tourism in Canada in 1986" suggests some of the major implications. Again the key effect is increased market segmentation.

> "Women in business and as professional travellers will increase. With more women working, there will be more family income and, therefore, more spending on tourism. Women will have more influence in the travel decision process.
>
> With both parents working, long duration vacations will be difficult to co-ordinate. Therefore, there will be a substantial increase in three-to-four day mini-vacations. There will be more separate holidays for both husband and wives; parents without children; children without parents; and father/son, mother/daughter vacations. Vacations will be sought both jointly and separately that bring awareness and that may renew or rehabilitate a marriage."(16)

h) Sports

During the last decade sports has emerged as a major recreational activity, with many sports and outdoor activities increasing dramatically in popularity. One major survey or sports travellers in the U.S., showed a clear social profile for this group which quite likely also applies to the Canadian scene.

> "Golf travellers are 46 percent more likely to be male than are all air travellers. They tend to be older, as well. Tennis players and skiers tend to be somewhat younger. All sports travellers are sharply higher in income than the total of air travellers; for example, they are 60 percent more likely to have incomes in excess of $50,000 per year. They are much more likely to have professional or managerial occupations--golfers, in particular, are very high on the occupational scale. The sports traveller is 50 percent more likely to be a college graduate than the average air traveller. And, he's more likely to be active in public and political affairs."(17)

Why have sports become so popular in recent years? Several recent articles on this topic suggest that sports provide a tangible result of an activity, which is different from the usually intangible results of our work. "Our individual contribution is difficult if not impossible to identify."(18) In addition, suggested reasons for increasing interest in high risk sports are that these provide an escape and a challenge.(19)

Other commentators note the increasing interest in physical activities. For example:

> "Inflation, energy cost, and energy availability will undoubtedly cause an evolutionary change in leisure activities and the use of equipment in the 1980's. There will be less driving for pleasure and a continued focus on human energy leisure activities such as hiking, bicycling, cross-country skiing,and sailing...New sports such as wind surfing and wind skating may be examples; such high risk sports for some will be even more popular. It is very evident that backyard and close to home (local and regional) facilities will receive more use during the coming decade."(20)

In view of the motivational aspects for participation in sports, the continuing economic uncertainties, the probable increase in impersonal work experiences, and related social considerations, it would appear likely that the combination of challenge and escape associated with sporting and high risk activities will ensure their continued development.

Finally on this point a recent survey in the Kitchener-Waterloo area indicates a growing use of surrounding lands for recreation. This suggests that people are increasingly using nearby facilities.

(i) Business Travel Trends

Two business travel trends seem to be established. The first of these is somewhat of a reduction in business travel especially during the recession. This was undoubtedly partly due to decreased business which required fewer meetings, but staff cutbacks and the fast-developing tele-conferencing facilities may mean that reduced levels of business travel are here to stay. On the other side of the coin, important meetings, it appears, still require face-to-face contact, so that business travel is still expected to maintain an important part of the travel market.

The second trend is towards a combination of the business-pleasure trips. For example:

> "One interesting purpose of a trip that has carried on has been the business-pleasure combination travel. We have done a tremendous number of studies on the business traveller in our various markets, and we have found that, more and more, this business convention, trade show traveller is extending that trip into a given market, having family or friends join him in that market or come along in that market, and then extending pleasure time on top of this regular business time, a trend which appears to be increasing dramatically."(21)

Obvious implications from the above trends are that there is an opportunity to attract business people to spend some recreational time in the area where they are visiting, or nearby. Promotional programs for that market both here and in nearby large centres might have considerable potential.

j) Increasing Need for Effective Advertising

The issue of effectively advertising or marketing one's service is obviously of key concern and this is especially so where the market is so segmented. In considering advertising forms, it appears that, as expected, there is a relationship between types of vacationers and the magazines that they read. In one study for example, (22) the following conclusions, which are presented here in summary form, were identified:

- The "Rest and Relaxation" vacationer is a heavier than average reader of home-centred fashion, and sports-oriented magazines.
- The "Sightseer" is more likely to read home-centred and cultural magazines; less likely to read sports-oriented publications.
- The "cost-conscious/attraction-oriented" vacationers read less of all kinds of magazines.
- The "sports-enthusiast" focuses on sports-oriented works.
- The "campers" have higher-than-average readership of camping and outdoor magazines; low leadership of golfing and home-centred magazines.

Thus, in terms of advertising, it would seem to be worthwhile to identify the particular groups which one wants to contact, and then to concentrate one's advertising on the appropriate medium - T.V., radio, relevant magazines and newspapers.

k) Industry Fragmentation and Tourism Planning

A 1977 study prepared for the Provincial Ministry of Industry and Tourism noted that, in the Niagara area:

> "visitation does not appear to penetrate beyond the Niagara Falls area into the zone's interior to any degree. This may be attributed, in part, to the fact that information about the surrounding countryside apparently is not available."

The proposals made by the consultants in that study were that:

> "The continuing success of the tourism industry in this region appears to relate to four issues: preservation, integration, winterization, and increasing the length of stay and return visitation by ensuring user satisfaction.
>
> Activities that show promise for future tourism development are largely the same as those which currently interest visitors. These include viewing Niagara Falls and other natural features and landscapes, visiting man-made attractions, attending special events and conventions, specialized shopping, boating and some camping and cottaging. An attempt must be made to integrate the numerous resources in the zone in order to create a cohesive image and to make visitors aware of the desirability of visiting the interior. Integration can be achieved using any of the innumerable themes in Niagara-Brantford that lend themselves to the task (e.g., historical--military, political and native Indian; ethnic--Italian, Indian; agricultural--soft fruit production, market gardening, horticulture; industrial-steel and shipping; and natural resource-based--shorelines.)
>
> Travellers should be encouraged to visit throughout the year and to remain longer in order to tour the whole zone. Niagara Falls, as the reception centre for such a great percentage of the zone's visitors and for a sizeable transient traffic, is the appropriate gateway to Niagara-Brantford. As such, this centre should present a positive, friendly image, disseminate information about, and encourage travel into the remainder of the zone."(23)

The above quotation very clearly states one of the major reasons for this tourism study which is to keep people longer in this area by having them visit throughout the Region. The issue of promoting the area through themes will be addressed in the third report of this series where facilities and resources in the Region are organized into thematic categories.

1) Changing Seasonal Trends

As already noted, another expected development is towards a more even seasonal distribution of tourism. Families taking more than one vacation, families without school children, more elderly people, staggered industrial holidays, crowding in the summer season, and increased interest in skiing and other winter sports, are all suggested reasons as to why a more even seasonal distribution of tourism is expected.

m) Major Conclusions

The emerging social and attitudinal trends suggest an increasing emphasis on obtaining self-fulfilling experiences. This, in combination with better education, two-worker families, and more varied interests, has led to a much greater degree of market segmentation than formerly existed. In addition, the more sophisticated, discriminating travellers are demanding "value for money", especially in the more difficult economic times that have recently developed.

The above combination of events suggests a more competitive and challenging marketing environment, in which tourism operations will have to identify and cater to specific markets. The degree to which Niagara can successfully attract visitors from other potential tourism areas will determine its success as a tourist destination.

In summary, all of the above suggests that, dependent on favourable economic conditions, the 1980's have good potential to be an upbeat decade for the tourism industry. Key changes are however occurring in the tourism market, with more market segmentation resulting primarily from changing social patterns. The emphasis on participation and self-fulfillment, the quality of the experience, value for money, and shorter vacations are increasingly important trends that will have profound implications for the types of recreational facilities in demand, and their marketing.

Three overviews are presented in Appendix A for discussion purposes and as the basis for ongoing considerations of emerging trends and market opportunties.

Footnotes to Section 4

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[2] D.A. Colussy, "Travel Facts, Policies and Other Myths". The 80's: Its Impact on Travel and Tourism Marketing, Proceedings of the Travel Research Association, 8th Annual Conference (Salt Lake City, Utah: University of Utah, 1977). p. 31

[3] R. Bartos, "Social Change and the Travel Marketer". Marketing Travel and Tourism. Proceedings of the Travel Research Association, 7th Annual Conference (Salt Lake City, Utah: University of Utah, 1976). p. 194.

[4] N. Elder, "Who, What, Where, When, Why, and How". A Decade of Achievement. Proceedings of the Travel Research Association, 10th Annual Conference (Salt Lake City, Utah: Universityof Utah, 1979). p. 93.

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[8] D.E. Hawkins, E.L. Shafer, and J.M. Rovelstad (editors), International Symposium on Tourism and the Next Decade: Summary and Recommendations (George Washington University, Washington, D.C., 1980).

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[10] K.G. Narodick, "The Travel Market of the 80's: How Will We Respond?". A Decade of Achievement, Proceedings of the Travel Research Association, 10th Annual Conference (Salt Lake City, Utah: University of Utah, 1979). p. 188.

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Section 5

MARKET SEGMENTATION

BY AGE GROUP

5. MARKET SEGMENTATION BY AGE GROUP

As indicated in the previous section, the tourism market is quite segmented. There are various ways of identifying market segments, the most common of which are:

- Demographic segmentation based on sex, age, stage in the life-cycle, etc.
- Geographic segmentation based on where one lives, the type of community, its size, etc.
- Psychographic segmentation based on lifestyles and psychological variables such as personality and self image.

For purposes of illustration, an age group segmentation analysis is presented in this section of the report. However, it should be recognized that such an analysis does not for example adequately incorporate such factors as blue collar/ white collar occupational groups or stages in the life cycle, which means that it does not completely identify some of the subgroups which exist within each age group. Market analysts, for example, recognize six stages in the family life cycle, each of which has particular behavioural and purchasing characteristics.[1] These are:

1. Bachelor stage (young single individuals)
2. Young married couples (no children)
3. Full nest (young married couples with children)
   Full nest I (youngest child under 6 years of age)
   Full nest II (youngest child 6 years old or over)
4. Full nest III (older married couples with dependent children)
5. Empty nest (older married couples with no children at home)
6. Solitary survivors (older single or widowed people)

Other analysts point to psychological and motivational aspects of purchasing decisions particularly those dealing with why people tend to do certain things.

Despite the above refinements, the age structure segmentation can provide general insights into the types of tourist behaviour associated with each age group, and can suggest subgroups that merit further review. The expected age structure changes are shown in Tables 1 and 2 of this report. With the above context, the market segmentation by age group will now be presented.

a) Children (0-14 years)

The number of children, which now represent about 22 percent of the population in the primary tourist market area is expected to decrease by 5 percent during the 1980's. This forecast, which reflects the trend of women delaying having children, as well as having fewer of them, means that households are less likely to be preoccupied with caring for children. Of course this would be particularly true for households where the adults are younger than 30 years of age. The impact of this trend has meant that adults are more likely to travel, since the deterrent or difficulty of travelling with small children is less applicable.

With fewer school-age children relative to the past, the emphasis on summer vacations will diminish, thereby encouraging vacations during the shoulder seasons and winter months. It should be noted that some (4 percent) return visits to Niagara Falls are attributed to parents showing their children this "wonder of the world". Therefore, a decline in the number of children may have some effect on the number of household trips to Niagara Falls. Furthermore, since children via their mother often influence the type of holiday of a household, the trend towards households without children, or fewer children, is likely to decrease the patronage of those facilities where children are the primary audience to be entertained (e.g. theme parks).

b) Older Teenagers (15-19 years)

Older teenagers (15-19 years), which now represent about 10 percent of the population in the primary tourist market area, are expected to decrease by about 27 percent during the 1980's (see Table 1). Today's teenagers have significant spending power relative to their counterparts of previous years, and they tend to spend a larger percentage of their income than their predecessors. With the difficulties of fewer employment opportunities and moderate increases in real incomes, it is questionable whether the above trend will continue. With respect to Niagara, to the extent that the number of teenagers in the market area is expected to decline, then those attractions which depend on the teenage market are less likely to experience increased patronage.

One summary of the teenage tourist market suggests the following outline:

Market Segment	Characteristics	Type of Travel
TEENAGERS	. low income	. hostels
	. independent and self-motivated	. charters
(Low to medium potential market) for Ontario	. worldly	. European and international travel
	. brought up with mass transportation	
	. budget travellers unless travelling with parents	. automobile travel in unknown areas
		. independent backpacking and recreation

Source: Pannell, Kerr, Foster, Campbell, Sharp, The Future of the Ontario Motel Industry. Prepared for Accommodation Motel Ontario Association (Toronto: 1983).

c) Young Adults (20-34 years)

During the 1980's, the "young adult" group will represent about 25 percent of the population and, although the number of people in this segment of the population is expected to decrease by about 1.5 percent, it is and will remain an important market segment.

The family composition of young adults changed considerably in the seventies and the indications are that they will change again in the eighties. Young adults tend to be either singles or couples with a tendency towards having children later in marriage and having fewer children per family (in Ontario 37 percent are single and 63 percent are married and not separated).[2] It has been argued that younger families cannot be treated in the same fashion as traditional families, to the extent that they are likely to have different social and cultural habits and ideas than their parents (when they were of comparable age). In general, the young adult population are independent, more adventurous, and enjoy self-oriented travel and recreation.[3] As a group, they tend to take weekend or week-long vacations rather than extended vacations because of time restrictions and the complexity of co-ordinating the schedules of two or more people. There is also a preference for one stop vacations, perhaps stemming from time restrictions, but also from a concern with transportation costs. The concern for costs also results in a preference for inexpensive facilities and services.

There is, of course, more than one subgroup in this broad category. A more "fleshed out" description of one such group is given below using the nickname "Suzie".[4]

> Suzie aged 18 to 25 years of age is single, employed, and out on her own. She's looked forward to "doing her own thing" without having to worry what the folks

will think or say, and she's really enjoying her new freedom. Because she is young and relatively inexperienced, more often than not she's working at a lower level job, one that is fairly dull and repetitive, and not especially well paying. Suzie doesn't need to be sold on the idea of travelling for pleasure. In fact, in her mind, travel means fun, excitement and something really special. The ideal travel experience for Suzie is a great time with other people; to be able to relax without rules, regulations, and expectations of others; and to get the chance to meet and enjoy new friends. The destination is really pretty much of a backdrop for the socializing, nearby or international. Lack of time and money, these are the reasons that Suzie gives for not travelling. She has difficulty co-ordinating her vacation with her girlfriends, as well as disciplining herself to save the required funds. The fears of travelling alone point to a substantial need that Suzie travel with companions. The type of service to provide Suzie is to offer short-term, short-to-medium distance packages. These are extended weekends--three to four days--at a place within a four-hour drive or about an hour's plane ride from home. The ideal would be to set up a "sports/fun" package, with emphasis clearly on the fun. The sport could be any activity that implies a healthy, happy and invigorating way of socializing with the opposite sex.

A broader overview of the tourist aspects of the "young adult" market segment is as follows:

Market Segment	Characteristics	Type of Travel
Young Adults with Medium to High Income (High Potential Market) for Ontario	. affluent, educated . aware . sophisticated . practical . 20-34 years . two incomes . some in college or university; others recently graduated . looking for value for price but not budget-minded . independent and self-motivated . expect a lot from themselves and from others . Increased vacation time . Brought up with mass transportation . explorers . looking for self-improvement . indulgent to less frills but want good quality . increased interest in fitness and recreation	. air charters for long distances . automobile for short distance, packaged vacations which are economical but allow freedom (eg. fly/drive) . weekend packages, "to get away from it all" . one stop destinations with full activities including recreation (eg. Club Med) . self-improvement packages (eg. health spas) . special interest tours and packages (eg. canoeing, urban sightseeing, etc.)

Source: Pannell, et.al., The Future of the Ontario Motel Industry. Prepred for Accommodation Motel Ontario Association (Toronto: 1983).

Market Segment	Characteristics	Type of Travel
Young Adults with Low to Medium Incomes (Low Potential Market) for Ontario	. very budget conscious . restricted incomes . disillusioned . 20-39 years old . less education . expect service and quality for price . no frills vacations . brought up with mass transportation . Increased vacation time but less travel . may be unemployed	. automobile . camping vacations with tent trailers or in vans . stay-at-homes . visiting friends and relatives . take advantage of discounted airfares

Source: Pannell, et.al., The Future of the Ontario Motel Industry. Prepared for Accommodation Motel Ontario Association (Toronto: 1983).

d) Mature Adults (35-49 years)

During the 1980's, the "mature adult" segment is expected to represent about 17 percent of the population and its numbers are expected to increase by about 27 percent. This age bracket has a tendency to frequent destination areas, to travel by both automobiles and airplanes, and to have relatively high disposable incomes.[5]

Like the younger adults, the mature adult segment has more than one subgroup in this broad category. Of particular note is the 35 to 40 year old age group which has one of the larger growth rates and in general shows one of the highest rates of travel generation. In terms of person-trips, mature adults are about 40 percent more likely to travel in a year than the average resident. Although the mature adult class is described in point form below, a description of an additional subgroup is fleshed out under the nickname "Rosie":[6]

> Rosie, a single woman between 35 and 50 years of age, most often divorced, and likely having one or two independent children of high school or college age. She works at a typical job and is the office supervisor, the woman in an organization to whom everyone turns for knowledge and advice. Typically she lives alone, in an apartment or small home, drives a car and to most she simply leads a very routine life. Rosie feels some deep hurts inside--a sense of aloneness in the world. Without a husband or permanent boyfriend for company and with children that are grown and moved away, she basically feels abandoned and on her own. In general she definitely wants to travel, especially in foreign lands, which she views as romantic and exciting. Although the "world tour" may envision negative connotations of a regimented rushed schedule, the

great advantage of a tour, for her, relates to the fact that there's always someone to travel with as well as to share experiences and to avoid vulnerable situations. The greatest chance of success in reaching Rosie is by offering "bachelor tours" restricted to people in her own age group and including both men and women. She wants to visit famous places, places of history, culture, and tradition, and the implied chance for a romantic relationship. The tour should include a degree of personal attention and shouldn't be too heavily regimented, allowing her time for morning or afternoon shopping or sight-seeing as she gradually comes to feel a bit more adventurous.

A broad overview of this market segment is as follows:

Market Segment	Characteristics	Type of Travel
MATURE ADULTS (Medium Potential Market for Ontario)	. both high and low incomes . children more independant . sophisticated . relatively few in number . 35-50 years old . looking for value for price . conservative . increased interest in fitness and recreation . developing homes . less venturesome than young adults . increased vacations . 1 to 2 incomes	. air charters . automobile touring . packaged vacations . weekend packages . self improvement packages . timesharing

Source: Pannell, et.al., The Future of the Ontario Motel Industry. Prepared for Accommodation Motel Ontario Association (Toronto: 1983).

e) Empty Nesters ((50-64 years)

The "Empty Nesters" group now represents about 15 percent of the population in the primary market area, and the number in this age category is expected to decrease by about 10 percent during the 1980's. Thus it is not being viewed as a major growth sector during the 1980's.

The "Empty Nester" is essentially the older couple whose children have left home to start their own households. The attitudes of most empty nesters toward travel are fairly restricted. The word travel to these people usually brings to mind an extended trip by car to a place anywhere from 200 to 2,000 miles away from home. Their thinking is geared to the kinds of vacation trips they used to take with the kids. Most or all of these were by car, where sightseeing was mixed in with a healthy dose of visiting friends and relatives. Again, the word "tour" may have the negative connotation of too many places in too short a time. However, a tour can provide the

advantage of handing over the decision-making to others, the guidance of a tour director, and the security of a group. Surprisingly, the tour should represent a chance for the empty nesters to discover themselves, to find out who they really are after the role of Mom and Dad are diminished. Their package, then, should offer the basics--transportation, lodging, meals--but should also offer options on sightseeing, shopping, night-clubbing, and so forth.

The potential of this market group is however substantial. For example, a recent article indicated that marketers are becoming increasingly aware of the spending power of these middle aged people, and one important change which was noted was that these people are spending more of their money rather than saving it for their children. According to that article,

> "The average middle-aged adult takes about four trips a year, one more than most Americans do, according to the U.S. Travel Service, a federal agency. Today's big vacation spenders are over 45, with grown children and a house that's paid for, says Edward H. Peterson, a travel agent in Morton Grove, Illinois, a Chicago suburb."[7]

Much of the above group has been referred to as the "Active Affluents". This "over 49 and affluent" group are usually well educated, have led productive lives, have made their contribution to business and society, have raised their families, are well-travelled, and have reached the point where they now have time for themselves. These people want cultural enrichment and, most important, learning experiences. Travel is most rewarding and enjoyable when it combines learning with sightseeing.[8] One technique is to provide experts in their field to lead expeditions by day and give lectures in the evenings to impart their knowledge to others who share a common interest. The "Active Affluent" want to travel with and learn from people of accomplishment.

f) Seniors (65+ years)

The seniors group now represents about 11 percent of the population in the primary market area, and is expected to grow by about 16 percent during the 1980's. Thus numerically and proportionately this group represents a substantial market sector.

With respect to the effects of ageing, the 65+ group may be separated into the "young-old" group (less than 80) and the "old-old" group (80+). The former especially often enjoy good health, have a mortgage-free house, and are still able to enjoy a variety of recreational activities. The older group is often more restricted in the types of things which they can do.

Considering their numbers and income it is thought that this market represents one of the "largest emerging pools of purchasing power to impact the U.S. economy".[9] It is also noted that a

majority of this age group is females who are less likely to be as well educated as are younger generations. Furthermore, as would be expected, as people enter the retirement phase of life their leisure activities become more passive and less related to physical exercise, but those people should not be considered as invalids.[10]

Seniors have a continuing interest in seeing more of the country and learning more about all facets of life.[11] They are looking for socialization, self-fulfillment, closeness to nature, physical exercise, and learning in their recreational and travel pursuits.[12] Although seniors have more leisure time, their activities may be restricted by factors such as physical disability, as well as the lack of companionship, transportation and/or money.[13] These preferences and constraints will dictate the types of activity and travel they will engage in. Overall seniors are less likely to take as many trips per year as the average person.[14] When they do travel, however, they spend more than twice the time away than the average, although total trip expenditures may not increase in proportion.[15] It is thought that there is a need for market segmentation by ability to spend and of course the activities that may be enjoyed.[16] Furthermore, it has been suggested that there may likely be a market for "middle brow" types of cultural activities offering lighter entertainment such as musicals, variety shows, etc.[17]

One aspect which could increase the market effect of this group is early retirement. With respect to the number who are retired and not yet 65 years of age, it is noted that in the U.S. half of that nation's male workers now leave their jobs at an earlier age.[18] This trend is expected to continue as a result of recently enacted federal legislation governing private pension plans and reductions in the minimum retirement age for a growing number of workers.[19]

Although retired people will experience a reduction in their incomes, reports note that the increases of this group of people will be buffered with rising Social Security payments and pension plans that are stronger than ever in providing them with income.[20] Furthermore, the elderly supplement their incomes by savings and liquidating their assets and using somewhat reduced living expenses.[21]

In catering to the elderly market, two aspects appear to be important. One is that the message with respect to age should be very subtle - most elderly people it appears, don't want to be reminded of their age. Instead the message should focus on the quality of the experience which is being offered, and on the emotional and education enrichment that it will provide.[22]

Finally, in terms of the market potential of retired people for recreation and tourism in Ontario the following suggestions have been made. In summary form, these are:

- provide well-designed special recreational facilities for Ontario's elderly to try to keep them in the Province,

- expand the marketing to ageing people in the U.S. North East and Mid-West,
- develop market segmentation by ability to spend,
- develop sightseeing trips - e.g. to Niagara Falls,
- capitalize on the existing market for cultural trips - e.g. to the Shaw Theatre,
- develop a market for "middle brow" entertainment such as musicals and variety shows.[23]

An overview of some aspects of the "seniors" market for tourism is as follows:

Market Segment	Characteristics	Type of Travel
SENIORS WITH MEDIUM TO HIGH INCOME (High Potential Market) for Ontario	. empty nesters . economy minded restricted budgets . depression and war economies influance expenditure parterns significantly . 50 years old and up . less formal education . look for security and economy of groups . much available time . not as familiar with mass transportation—other than bus . indulgent to less frills . not as much vacation travel experiance . looking for interaction with others . not as active physically but increased awareness	. group tours - particularly by bus . group special interest packaged tours (e.g. history, culture) . bed and breakfast . automobile touring . visiting friends and relatives . air charters for long distances . time-sharing
SENIORS WITH LOW INCOME (Low Potential Market) ror Ontario	. very tight budget . limited travel . much free time	. limited automobile and bus travel

Source: Pannell, et.al., The Future of the Ontario Motel Industry. Prepared for Accommodation Motel Ontario Association (Toronto: 1983).

g) Major Conclusions

As indicated above, the tourism market is becoming increasingly segmented. Although it is a rather simplistic approach, some aspects of tourism markets are discussed in relation to different age groups. Some of the major highlights of the tourism markets for the different groups are as follows:

a) The "children", "teenager" and "young adult" groups are expected to decrease in size in the primary market area during the 1980's. This decrease may affect the number of trips to thrill-type attractions - e.g. theme parks, and weekend and package vacations oriented to younger people. However, high risk sports such as parachuting, hang-gliding, and white-water rafting appear to have increased in popularity with younger people.

b) The "mature adult" group will likely increase in size during the 1980's. This group is about 40 percent more likely to travel during a year than the average resident, and enjoy such activities as automobile touring, packaged vacations, and self-improvement packages.

c) The "empty nesters" group is expected to decrease in size during the 1980's. However, this group is quite affluent - the children have usually left home, the house is often mortgage-free, and they appear to be increasingly spending their disposable dollars on travel. The sense of self-fulfillment and accomplishment are often important parts of the vacation experience for this group.

d) The "seniors" group is expected to increase in size during the 1980's, and early retirement will tend to increase the tourism potential for this group. Seniors are often interested in more passive types of recreational activities than younger people, although they are looking for socialization and for interesting and self-fulfilling experiences.

Footnotes to Section 5

[1] M.D. Beckman, D.L. Kurtz, and L.E. Boone, Foundations of Marketing. (Holt, Rinehart and Winston of Canada, Limited, Toronto: 1982). p. 162.

[2] Pannell, Kerr, Foster, Campbell, Sharp (Management Consultants), The Future of the Ontario Motel Industry. Prepared for Accommodation Motel Ontario Association (Toronto: 1983).

[3] G. Phillips, "Travel Marketing in the New Economy". Proceedings: 1982 Outlook for Travel and Tourism, Sponsored by the U.S. Travel Data Centre and the Travel Research Association (Washington: 1981). p. 90.

[4] S. Plog, "Increasing Your Sales to New and Existing Markets". Marketing Travel and Tourism, Proceedings of the Travel Research Association, 7th Annual Conference (Salt Lake City, Utah: University of Utah, 1976). pp. 129-132.

[5] Pannell, et.al. (same as reference 2). p. 4.

[6] Plog (same as reference 4). pp. 126-129.

[7] J.S. Lublin, "Marketers Discover Free-Spending Group: Affluent Middle-Aged". The Wall Street Jornal, April 16, 1979.

[8] Y. Crissey, "Over Forty Nine: The Active Affluent". Research and the Changing World of Travel in the 1980's, Proceedings of the Travel Research Association, 11th Annual Conference (Salt Lake City, Utah: University of Utah, 1980)

[9] C. Spielvogel, "Marketing and Communications Implications for Tourism and Travel in the 80's". The 80's: Its Impact on Travel and Tourism Marketing, Proceedings of the Travel Research Association, 8th Annual Conference (Salt Lake City, Utah: University of Utah, 1977). p. 180.

[10] J. Levy, "Leisure and Retirement in Canada". Recreation Research Review, Vol. 9, No. 4 (December 1982). p. 31.

and

P. Sandor and S. Ferguson, "Recreation for Retired People". in "The Global Village" - Journal of the Canadian Hospitality Institute, Vol. 1, January 1980. p. 22.

[11] D. Frechtling, "Travel Trends in 1978". Proceedings: 1982 Travel Outlook Forum, Sponsored by the U.S. Travel Data Centre and the Travel Research Association (Washington: 1980). p. 21.

[12] L.H. McAvoy, "The Leisure Preferences, Problems, and Needs of the Elderly". Journal of Leisure Research, Vol. 11, No. 1 (1979). p. 43.

Footnotes to Section 5 (continued)

[13] L.H. McAvoy (same as reference 12).

[14] D. Frechtling (same as reference 11). p. 21.
and
P. Sandor and S. Ferguson (same as reference 10). p. 21.

[15] (same as reference 14).

[16] P. Sandor and S. Ferguson (same as reference 10). p. 22.

[17] (same as reference 16).

[18] P. Hermann, "The Tour Wholesaler - An Industry Perspective" Marketing Travel and Tourism, Proceedings of the Travel Research Association, 7th Annual Conference (Salt Lake City, Utah: University of Utah, 1976). p. 121.

[19] P. Hermann (same as reference 18).

[20] D. Frechtling (same as reference 11). p. 21.

[21] P. Sandor and S. Ferguson (same as reference 10). p. 21.

[22] Y. Crissey (same as reference 8).

[23] P. Sandor and S. Ferguson (same as reference 10). p. 22.

Section 6

TOURISM ACTIVITY TRENDS

6. TOURISM ACTIVITY TRENDS

In this section of the report, a review of some of the main types of tourism activities is presented. Briefly, it outlines some of the recent trends and discusses what the future may hold for these types of activities.

a) Outdoor Activities and Physical Fitness

Interest in physical fitness and outdoor activities has greatly increased in recent years. In the U.S. for example, between the mid 1960's and mid 1970's, boating expenditures increased by 77%, the number of boats by 25%, the number of boaters by 40%, the number of fishing days by 35%, the number of people who regularly play golf by 45%, the number of people who play tennis by 300%, and the number of skiers by 155%.(1)

Similar trends have appeared in Canada where "estimates of retail sales of sporting goods and accessories show an increase of 17% between 1980 and 1981, to $1.2 billion." Personal expenditures on recreation, skating and camping equipment in 1978 were nearly three times as high as expenditures in 1971.(2)

Recent Statistics Canada data indicate that:

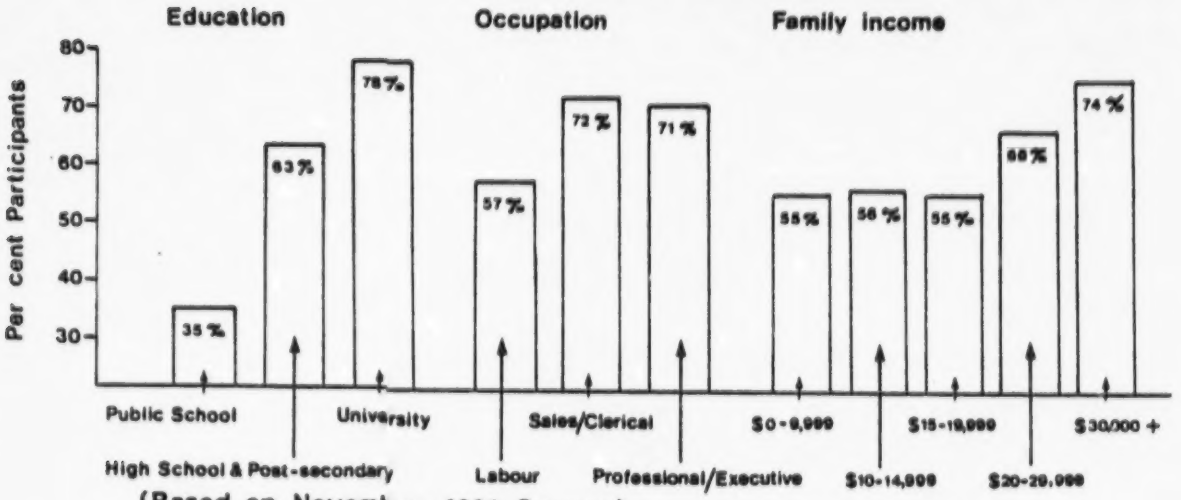
- One out of four households in Canada owns skiis of some type - 17% cross-country skis and 14% downhill.
- 42% of Canadian households own one or more adult size bicycles. One in 10 households owns a snowmobile.
- One in 15 households owns a cottage.
- One household in 20 owns a canoe.
- National park visitation increased 5% to over 19 million visitor-days between 1978 and 1979.(3)

There also appears to be a growing market, particularly for younger people, for high-risk sports, such as wind-surfing, hang-gliding, and ski-diving, all of which are increasing in popularity.(4) Wind-surfing sales for example have doubled each year since 1976.(5) The 1976 Ontario Recreation Survey also showed that respondents were keen to try such challenging sports as downhill skiing , water-skiing , recreational flying, skin and scuba diving, and cross-country skiing .(6)

Finally in terms of socio-economic structure, the physical fitness/outdoor activities market seems to be largely of an upper income, educational, and occupational level. This may be due to increased ability to buy needed equipment or to increased interest in physical fitness. Either way, the socio-economic characteristics of the physical fitness market are clearly shown in the following chart.

Figure 9

Participation (in a variety of Physical Activities at least once a month) by Socio-Economic Characteristics



(Based on November 1981 Survey)

Source: Physical Activity Patterns in Ontario - Vol. II Fitness Ontario, Ministry of Tourism & Recreation, 1983, pp 15 & 16.

Thus physical activities have increased in popularity in recent years. Higher education levels, the challenge and often competitiveness of the activity, escape from the city, getting away from humdrum jobs or high-pressure work environments, the enjoyment of nature, and the emphasis on physical fitness, are all aspects which seem here to stay, and which will likely provide a continuing impetus to these types of activities. Swimming, one of the more important physical activities is briefly examined because of its potential significance for Niagara.

Swimming

As shown in the 1977 Ontario Recreation Survey (Vol. 1-Table IV-4) swimming was the most preferred present, past and intended future free-time physical activity for Ontarians. It also ranked first as an activity in which more frequent participation is desired (Vol. 1 - Table ES-2). Since about 66 percent of the Ontario population participates in swimming (Vol. 1-Table I-1), which is higher than any other activity, and they do so on average about 31 times per year (Vol. 1-Table I-3), it is clearly a major recreational activity.

In Summary:

> "For all preference types combined, swimming is by far the most popular activity, being preferred by an estimated 19.8 percent of the total population. The next most popular activities are in descending order: fishing (11.6%), downhill skiing (11.3%), waterskiing (10.0%), and camping (9.3%). For those who swim, waterski, canoe, or ice skate, a lack of opportunities near home is the second most important factor limiting increased participation." (The most important reason was a lack of time).(7)

As shown in the Regional Niagara Tourism Report No. 1, swimming was also a very important activity for U.S. visitors in Niagara, ranking second after visiting historic sites or displays. (Source: Table 17, page 22).

Finally, in the 1976 Survey of Fitness, Physical Recreation and Sport, conducted by the Federal Government:

> "Swimming was the sport with more participants than any of the seven other activities listed on the questionnaire, with 5.6 million participants or 32 percent of the population 14 years or over. Ice skating was second (17%) followed by tennis, golf, hockey, cross-country skiing, downhill skiing and curling."(8)

The above information clearly shows the importance of swimming as a recreational activity. Given that Niagara is surrounded on three sides by water, the tourism potential of this resource is great, and especially so with the nearby large population centres. However, to realize the potential, further water quality improvements are needed.

b) Specialized Tours

Package tours and specialized tours are also increasing in popularity. In simple terms these can be separated into two categories, one being organized bus trips or weekend excursions to a particular attraction, and the other being trips that involve somewhat more specialized activities. Overall, however, package tours involving one or more nights in Canada rose from 94,000 in 1971 to 260,000 in 1981.(9)

With respect to organized bus trips to Niagara, the following table clearly shows that the number of charter bus permits issued by the Niagara Parks Commission has doubled during the past decade.

TABLE 8

Chartered Bus Permits
by Niagara Parks Commission

Year	Number of Permits
1982	7,079
1981	7,112
1980	7,450
1979	7,116
1978	5,488
1977	5,584
1976	6,021
1975	5,721
1974	4,920
1973	4,802
1972	3,681

Source: The Niagara Parks Commission Ninety-Sixth Annual Report, 1982.

With respect to more specialized tours, these have increased both in number and range of activities which are catered to. Some examples, to name but a few, include backpacking trips, golf holidays, whalewatching, wilderness experiences, and archaeological tours. The key is the match between the consumer's interests and the types of packages that are offered, and as interests have become more specialized and varied, so the range of possible tours has increased.

Relating the specialized tour phenomenon with the interest in physical activities noted above has provided a good market opportunity with people increasingly taking vacations to learn skills such as tennis, skiing, sailing, etc. In the U.S. in 1975 approximately 12 million people played golf, tennis, or skiied while on vacation or in the course of taking trips. Of those 12 million, half took a trip for the primary purpose of participating in one of these sports.(10) Package tours that include lodging costs and sports admission fees or equipment rentals for one price are becoming extremely popular.

Specialized tours and package trips are expected to continue in popularity since they can cater to the various interest groups, tour operators can get discount rates which they can pass onto customers, such tours can be conveniently organized for group travel, and can easily cater to the elderly and to the weekend or short vacation traveller. In fact one recent

source who was reviewing potential tourism growth in Ontario has noted that the "greatest potential to increase U.S. and overseas visits lies in the development and promotion of specialized activities i.e. canoe trips, special events, man-made attractions, and organized tours."(11)

Finally, one reviewer has identified five market segments which have distinct vacation preferences(12), all of which could be considered as potential package tour markets. In summary form, these were:

- The Rest and Relaxation Vacationer - likely to be a middle-aged couple with no younger children at home, families have higher income, husband is likely college educated,--want a holiday where they can "get away from it all."

- The Sightseer - the group most likely to be planning a vacation, normally stay away for above-average length of time, predominantly older couples, with higher education, who are unlikely to have younger children at home.

- The Cost-Conscious/Attraction-Oriented Vacationer - likely to be younger, and less well educated than above groups, likely to have young children, man-made attractions may be a way to keep the children occupied or it may be that the vacations are centred around the children, very concerned about the cost of their vacation and the distance they must travel.

- The Sports Enthusiast - most concerned about existence of sporting facilities, unconcerned about cost of vacation or distance travelled, least likely to be married; if in families they tend to be lower or middle income families which may indicate that they save up for expensive though less frequent vacations, unconcerned about sightseeing opportunities or about the cost of, or distance to, the vacation destination.

- Campers - predominantly younger adults, likely to have young children at home, less education and lower income than "sightseers" and "rest and relaxation" vacationers. Camping may be used to keep down cost of vacation since cost and distance are important considerations.

c) Theme Parks

Theme parks have developed greatly since "Disneyland" opened in 1955. Over 20 theme parks now exist in the U.S., with annual revenues exceeding $900 million.

In terms of costs, theme parks have a high initial cost of construction, plus the high costs of maintaining their share of the market. Some recent research suggests that the theme park market is increasingly competitive, so that strong competition exists between the various parks to attract both first-time and repeat customers. Moreover, it appears that much of the theme park market, at least in the U.S., involves week-end trips. To maintain or expand their market, the newest rides must be provided together with other attractions such as entertainment that will appeal to the middle and older age groups. In addition, changes are often needed fairly regularly to provide a new attraction and a reason for going back to the park. Added to these costs is the need to keep admission prices as low as possible to attract customers, and hopefully recover the capital and operating costs.

Theme park attractions are changing in response to the changing age patterns. Live shows, restaurants, and gift shops for example will likely become more important. As was noted in one article:

> "The big parks have still to crack the most lucrative market of all: the affluent over 45's whose children have left the nest, and who never want to see another ride, hot dog, or animated character as long as they live."(13)

Theme parks complement existing tourism facilities by adding a substantial attraction which will independently bring people to an area. Thus, they not only provide their own market but play an important role in attracting people to nearby facilities.

The general concensus of the materials reviewed on theme parks(14) was that the theme park business may have reached a stage of maturity after its quick development during the 1970's. Those parks that already exist will no doubt remain popular attractions, but the operators will have to cater to changing market demands. Thus, within the foreseeable future, the theme park phenomenon, as a whole, is not expected to undergo dramatic growth, although of course individual parks focused on particular market sectors may increase in importance.

d) Culture and the Arts

A recent Woods-Gordon report regarding marketing implications in the Leisure and Recreation sectors noted that:

> "Attendance at theatres, museums, galleries and other cultural centres and at commercial leisure facilities will increase."(15)

Culture and the arts appear to have potential as recreational activities. These types of activities would likely appeal to the better educated, more sophisticated customers that represent important market segments. Moreover, such activities primarily perform an educational role which is clearly part of the self-fulfillment theme outlined earlier. Finally, the growth of the elderly group, many of whom prefer fairly relaxed types of entertainment, should provide a growing market for these types of attractions. The growth of such places as Stratford and the Shaw Festival clearly suggests a strong market for cultural performances.

e) Major Conclusions

(i) Interest in outdoor activities has grown dramatically in recent years, and swimming and water-related activities are some of the more popular activities which could have substantial implications for Niagara.

(ii) Specialized tours such as bus tours, have also grown in popularity and offer opportunities to cater to various interest groups and age levels.

(iii) The market for theme parks appears to have reached a stage of maturity and is not expected to increase dramatically in the near future.

(iv) Increased interest in culture and the arts suggests a growing market for these types of activities.

Footnotes to Section 6

[1] Robert T. Schreiber, "Sports Interest, A Travel Definition". Marketing Travel and Tourism. Proceedings of the Travel Research Association, 7th Annual Conference (Salt Lake City, Utah: University of Utah, 1976).

[2] Travel, Tourism and Outdoor Recreation prepared by Statistics Canada, 1980-1981" Catalogue 87-401, Chapter 7.

[3] Information provided in Pannell Kerr Forster Campbell Sharp, The Future of the Ontario Motel Industry, prepared for Accommodation Motel Ontario Association, in January 1983.

[4] Carlton S. VanDoren, "Outdoor Recreation Trends in the 1980's: Implications for Society." Journal of Travel Research, Vol. XIX, No. 3, Winter 1981.

[5] Marshall Macklin Monaghan Limited, and Thorne, Stevenson and Kellogg, Tourism Development Strategy: Collingwood-Midland-Orillia Zone, Vol. 1, May 1980.

[6] Ontario Recreation Survey, Volume 5, Table ES-1, March 1978.

[7] Same as 6; pages 30, 31 and 32.

[8] Same as 2.

[9] Vacation Travel by Canadians in 1981, prepared by the Marketing Research Division of Canadian Government Office of Tourism.

[10] The Growth of Selected Leisure Industries, U.S., Department of Commerce, Industry, and Trade Administration, May 1979.

[11] Balmer, Crapo and Associates, Inc., Tourism Development in Ontario: A Framework for Opportunity, prepared for the Ministry of Industry and Tourism, 1977.

[12] Melvin R. Crask, "Segmenting the Vactioner Market: Identifying the Vacation Preference, Demographics and Magazine Readership of Each Group." Journal of Travel Research, Vol. XX, No. 2, Fall 1981.

Footnotes to Section 6 (continued)

[13] Edward Clifford, "Competition Heats up in Theme Park Stakes" Globe & Mail, August 15, 1983.

[14] The other materials were: Edward Clifford, "Hitting on the Right Formula Key to Success in Theme Park Game:, Globe & Mail, August 15, 1983; Bro Uttal, "The Ride is Getting Scarier for "Theme Park Owners", Fortune, December 1977; C. Roberts and G. Wall, "Possible Impacts of Vaughan Theme Park", Recreation Research Rev iew, August 1979; Gerry Castello, "Theme Parks - The What and Why of their Development," Recreation Canada, No. 35, Vol. 2, 1977.

[15] Woods Gordon, "Tomorrow's Customers in Canada, 1982", 1982.

Section 7

IMPLICATIONS FOR NIAGARA

7. IMPLICATIONS FOR NIAGARA

The above sections provide a review of population, economic social, and tourism activity trends. What do these mean for Niagara? The following section outlines some of the major conclusions from the report, and what appear to be the major implications of the emerging trends for the tourism industry in Niagara.

i) Future population growth will be slower than in the recent past. As shown below, the total population growth in the primary market area will be about half a million people during the 1980's, but this will decrease to a population loss during the 1990's.

	Estimated Total Population (approximately)		Estimated Population Change
1970	85,178,000		
1980	87,083,000	1970-1980	1,905,000
1990	87,623,000	1980-1990	540,000
2000	85,358,000	1990-2000	-2,265,000

The implication of the above data is that Niagara can no longer depend upon population growth to expand the number of tourists who visit each year. Instead it will be necessary to attract a larger share of a relatively static market.

ii) In terms of age structure changes, the "mature adult" group (35-49 years of age) and the "seniors" (65+) appear to be the growth sectors of the 1980's. During this decade the "mature adult" group is expected to grow by about 27%, while the "seniors" population is expected to grow by about 16%. On the other side of the coin, the younger age groups especially are likely to decline in numbers.

The implication of these age structure changes is that tourist programs and marketing efforts should take account of the age structure changes. To the extent that the different age groups enjoy different types of activities, it will be important to cater to the interests of the growth sectors while, if possible, also appealing to the other groups. In terms of both the marketing of existing facilities and the development of new tourist facilities, it will be important to focus on the particular markets which one wishes to attract.

iii) The emerging tourist markets are very segmented. Changing social conditions such as later marriages, increased divorces, fewer children, single parent families, two-income families, increased education levels for the general population, greater leisure time, and more diverse interests have combined to produce a much greater variety of recreational experiences. This

general situation has been compounded by economic uncertainties where the more optimistic economic outlook of the 1970's has been replaced by higher inflation and higher unemployment in the 1980's. Although the expanding tourism markets that emerged in the 1970's still exist, the changing economic conditions have affected the ability of some people to participate in certain types of vacation.

The major implications of the above trends are:

a) The better educated, more discriminating customers of the future will have varied interests and be more aware of alternative attractions. This suggests that Niagara will have to compete with other areas and other types of attractions for this market, so that marketing will be even more important to the success of the tourism industry than it is at present.

b) In the uncertain economic environment, one adjustment for some people has been towards more modest vacations - staying closer to home, and longer in one place. In that context Niagara has much to offer - it is near large population areas and it has established attractions. Thus it would appear that it can take advantage of the economical holiday alternative.

c) The tighter economic conditions have produced greater concern with obtaining "value for money". In this context the tourist facilities in the Region must recognize the importance of good, old-fashioned hospitality in producing satisfied customers who, in turn, will recommend the area to others.

iv) Self-fulfillment, especially self-improvement and education, has become an important aspect of many people's vacations. This includes the quality of the experience. Such trends are reflected in the growing importance of sports which include elements of challenge, risk, excitement, and escape, and the growing popularity of package holidays oriented to the interests of a particular group of people.

The implication of the above trends is that there appears to be a marketing opportunity for emphasizing the experience that one can obtain. The suggestion is that an emphasis be put on what one can do in Niagara that will be interesting, different, educational, and which will provide an experience that will remain after the visit to the area is over. Participation, education, challenge, and escape all seem to be important dimensions of these types of activities.

v) In the highly segmented tourist market that increasingly will exist, it may be useful to better understand why people participate in certain types of recreational activities. Some of this type of information is included in this report. Obviously, through an understanding of the motivational bases for different types of interests, there are opportunities to develop new types of activities upon a reasonably sound foundation.

The implication of the above suggestion is that in addition to identifying what people do in Niagara, market surveys should probe why they do it.

vi) A promotional program for tourism in Niagara should focus on three primary objectives:

- to attract more visitors (both first-time and return),
- to get people to stay longer,
- to get people to spend more money.

The implication of the above is that a two-part marketing program, as follows, is appropriate.

- One part would focus on the area and would deal with its activities, types of attractions, etc. and would especially deal with the development of a marketing focus and promotional theme.
- Another part, which would be done by individual attractions, would focus on the individual items of interest.

The above promotional activities are already underway but it is very important that they be continued. In the highly competitive tourism environment that exists, effective promotion and marketing will be crucial. If people do not know of the opportunities that exist in this area, they will go somewhere else about which they are better informed.

vii) The Niagara area has many tourist attractions and interests, the main one of which is Niagara Falls. That is the main tourist destination in the Region and the major point of introduction for visitors to the Niagara Region.

The implication of the above situation is that efforts should be made to make visitors to Niagara Falls more aware of the other attractions in the Region. This could be done through the provision of tours starting from Niagara Falls. The intent of the exercise is of course not to get people to leave Niagara Falls to spend their dollars in other parts of the Region, but rather to get them to spend some extra time, and hopefully some extra money, elsewhere in the Region in addition to their stay in the major tourist areas.

viii) Swimming is a very popular recreational activity. The location of Niagara Region, along major shorelines and close to large population centres, suggests an opportunity for visitors to participate in that type of activity. People in large cities often look for good beaches which are not crowded, which are not too far away, and where there is clean water.

The major problem in this area however is the water quality of the Niagara River and the lower Great Lakes system, and until that is improved the recreational potential of the water bodies will quite likely not be fully realized.

The implication of the above is that further efforts should be made to improve the water quality especially in the Niagara River and in Lake Ontario. Such improvements would quite likely have substantial benefits for tourism in this area.

Conclusion

In summary, the combination of slower population growth, tighter economic conditions, and increasingly segmented markets, suggest that effective tourism marketing will be an important part of successful tourism strategies in the 1980's. Information on the population in the market area, the changing age structure, economic conditions, and recreational and tourist interests will be important in the development and promotion of both existing and new tourist facilities, and in the expansion of the tourism industry.

The first two "Tourism In Niagara" reports have dealt with the present tourism markets and some emerging trends which will affect future markets. The next report in the series will present a thematic overview of some of the major tourist attractions that exist in the Region.

APPENDICES

Appendix A

A-1

The following three overviews are presented for discussion purposes. Basically they represent three compilations of some of the major emerging trends as they affect the tourism industry.

Travel Variables for the 80s

. Deterioration of the work ethic	- less dedication to a single lifetime career; search for challenge and sense of accomplishment not found in most jobs; shorter work week and "flexitime."
. Demand for leisure time	- majority prefer, if not demand, extended time away from work to enjoy the fruits of their labours.
. Young Multi-Earner Families	- increased number of two-income families; households headed by factory and skilled workers are increasingly becoming middle income.
. Wealthier population	- increased income, especially for the baby-boom generation, will provide opportunities for tourism
. Time Restrictions	- increased need to coordinate the timetable of two or more people working in different companies with different schedules; increased demand for short, well-planned vacations which are confirmed and arranged in advance.
. Blue Collar Wealth	- higher incomes for blue collar workers increases the tourims potential for this group.

Source: K.G. Narodick, "The Travel Market of the 80's: How Will We Respond?". A Decade of Achievement, Proceedings of the Travel Research Association, 10th Annual Conference (Salt Lake City, Utah: Univeristy of Utah, 1979). p. 188.

SCENARIOS FOR THE 1980's

Major Influences	Scenarios
Resident Travel • Currency exchange rate • Inflation (prices in other countries) • Length and severity of winter • Promotion and development of travel alternatives in Canada • Quality of tourism plant in relation to cost • Political stability of other countries • Discretionary income • Vacation days available	Travel by Canadians in Canada has been increasing and will continue to increase as long as the Canadian dollar lags behind international currencies and the cost of international travel is significantly above the cost of vacationing in Canada.
Non-Resident Travel • Currency exchange rate • Inflation (prices in Canada relative to other countries) • Promotion and awareness of Canada as a tourist destination • Perception of quality of Canadian tourism plant • Discretionary income • Transportation available	Travel to Canada from international origins has been increasing significantly since 1979 when the International Balance of Payments deficit for tourism decreased for the first time since 1974. The Canadian economy is tied to the availability of energy. An energy crisis seems to either precipitate or forecast an increase in international visitation. Although Canada will remain a popular international destination for overseas visitors, there already appears to be a levelling off visitation from 1979 volumes. It appears likely that the large increase in the rate of visitation from countries such as West Germany and Japan will level out in the next few years. However, visitation from Great Britain will remain stable due to the travel to visit friends and relatives which is likely to continue. American visitation has been increasing slowly but steadily since the large drops in visitation experienced following the 1973-74 energy crisis. The Canadian government was able to reassure Americans of the availability of gasoline in 1979 and later years and this should stimulate future travel. With the exception of Mexico and the Caribbean, Canada is the closest geographically "foreign country" to the U.S. Visitation should continue to increase steadily - unless the U.S. economy takes a major plunge causing Americans to reduce the number of vacation trips they take.

Major Influences	Scenarios
Type of Visitor • Age group • Income levels • Vacation available • Education	There is much excitement among tourism marketers about the fast growing "young adult" age group which will make up a significant portion of the travel market over the next ten years. This market segment will increase significantly. The older "seniors" age group is also a significant market which offers significant potential for travel in both the short and long terms. Income levels will increase in the next ten years - as will discretionary income. However, these increases will be tempered by the state of the economy which shows no indication of improving substantially over the next few years. Vacation time available will increase over the next ten years, however, the type of travel taken will be influenced by economics. This will result in growth of two types of vacations - the short weekend, close-to-home vacation and the more traditional one week to 10-day away-from-home vacation. Education often brings about sophistication and the increased knowledge of travel markets is bringing about demand for "participation" and quality in travel experiences. Education levels are projected to increase in the future.

SCENARIOS FOR THE 1980s

Major Influences	Scenarios
Purpose of Trip • Business travel • Group travel • Independent pleasure travellers • Special interest travellers	Despite the advent of tele-conferencing and other technical innovations, the demand from business travellers is increasing. The basic reason for this is that most "business takes place "face-to-face". This trend will continue in the near future until and if technological costs come down and the concept of tele-conferencing becomes generally accepted by the market. Business travel as a main purpose of trip will continue to grow. Group travel and packaged tourism has increased significantly over the past five years because of the security and economy which it affords to the budget conscious traveller. Group travel will increase in popularity particularly because it appeals to the older markets. Independent pleasure travellers are generally comprised of automobile travellers, sightseers or visitors to friends and relatives. The increasing proportion of young adults making up this market will cause changes in visitor characteristics but an overall increase in volumes. Special interest travellers constitute an emerging market. This market travels to visit specific areas of personal interest to participate in activities such as backpacking, canoeing or other recreational pursuits and to visit historical, cultural or natural attractions and sites, etc. Although the volume of special interest travellers is not large, increases in the rate of travel are significant and should continue in the future.
Expenditures • Costs/economics • Inflation • Exchange	Expenditures of travellers do not occur in direct relation to volumes. Although increases in total tourism volumes have been increasing moderately, expenditures have increased significantly. This is due to the fact that different market segments spend different amounts depending on the characteristics of their trips which have been largely influenced by the factors outlined above. The economy, as it affects personal income, exerts a major influence on travel expenditures. Lifestyle, including ethics, education and cultural pursuits, also provides a significant influence. The growing demand for "value for money spent" is a result of both of these influences. There is no indication that total tourism expenditures will decrease, unless destinations are, in effect, boycotted or are not providing what is perceived as good value. Customers, including travellers, generally understand that increased costs will be passed on to them.

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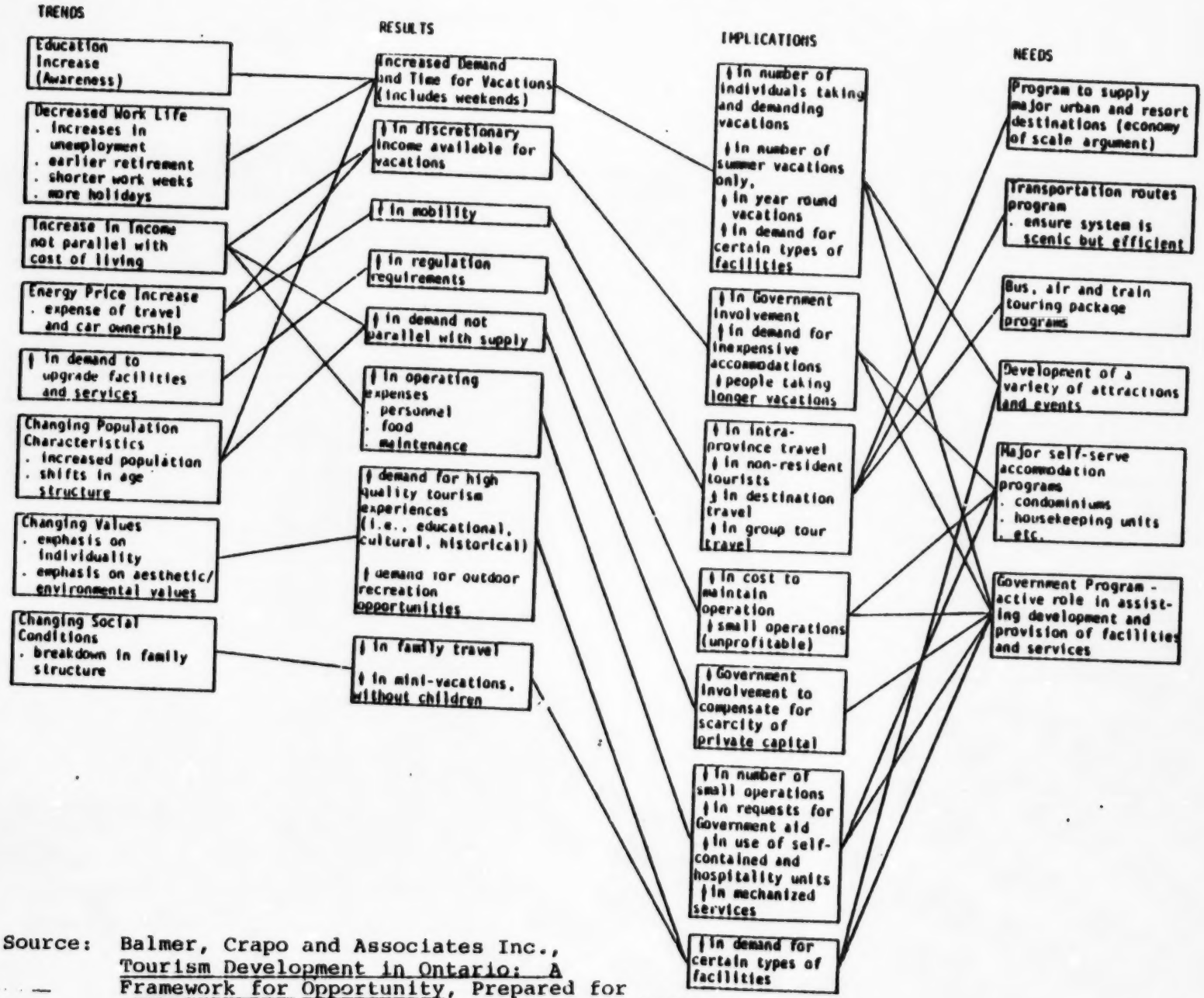
Source: Pannell, Kerr, Foster, Campbell, Sharp, The Future of the Ontario Motel Industry. Prepared for the Accommodation Motel Ontario Association, January 1983.


TRENDS
Education Increase (Awareness)
Decreased Work Life
. increases in unemployment
. earlier retirement
. shorter work weeks
. more holidays
Increase in Income not parallel with cost of living
Energy Price Increase
. expense of travel and car ownership
↑ in demand to upgrade facilities and services
Changing Population Characteristics
. increased population
. shifts in age structure
Changing Values
. emphasis on individuality
. emphasis on aesthetic/ environmental values
Changing Social Conditions
. breakdown in family structure
RESULTS
Increased Demand and Time for Vacations (includes weekends)
↑ in discretionary income available for vacations
↑ in mobility
↑ in regulation requirements
↑ in demand not parallel with supply
↑ in operating expenses
. personnel
. food
. maintenance
↑ demand for high quality tourism experiences (i.e., educational, cultural, historical)
↑ demand for outdoor recreation opportunities
↑ in family travel
↑ in mini-vacations, without children
IMPLICATIONS
↑ in number of individuals taking and demanding vacations
↑ in number of summer vacations only,
↑ in year round vacations
↑ in demand for certain types of facilities
↑ in Government involvement
↑ in demand for inexpensive accommodations
↑ people taking longer vacations
↑ in intra-province travel
↑ in non-resident tourists
↑ in destination travel
↑ in group tour travel
↑ in cost to maintain operation
↑ small operations (unprofitable)
↑ Government involvement to compensate for scarcity of private capital
↑ in number of small operations
↑ in requests for Government aid
↑ in use of self-contained and hospitality units
↑ in mechanized services
↑ in demand for certain types of facilities
NEEDS
Program to supply major urban and resort destinations (economy of scale argument)
Transportation routes program
. ensure system is scenic but efficient
Bus, air and train touring package programs
Development of a variety of attractions and events
Major self-serve accommodation programs
. condominiums
. housekeeping units
. etc.
Government Program - active role in assisting development and provision of facilities and services

Source: Balmer, Crapo and Associates Inc., Tourism Development in Ontario: A Framework for Opportunity, Prepared for the Ministry of Industry and Tourism in 1977.

Appendix B

TABLE B-1

Inflation Price Indices

	Canada		U.S.A.	
	Consumer Price Index	Travel Price Index	Consumer Price Index	Travel Price Index
1982	262.5	[illegible].0	238.3	280.6
1981	236.9	261.3	224.5	266.0
1980	210.6	225.4	203.4	235.6
1979	191.2	200.0	179.2	195.3
1978	175.2	183.0	161.0	169.1
1977	160.8	169.6	149.6	155.9
1976	148.9	158.0	140.6	141.3
1975	138.5	146.8	132.9	133.3
1974	125.0	129.2	121.8	123.9
1973	112.7	114.0	109.7	108.2
1972	104.8	105.6	103.3	102.3
1971	100.0	100.0	100.0	100.0
1970				

Source: Statistics Canada, Travel, Tourism and Outdoor Recreation: A Statistical Digest, 1980/81. Catalogue 87-401.

TABLE B-2

Price Index
Indicating Canada's
Relative Advantage
with Respect to the
U.S.A. as a place to Travel

	Using the Consumers Price Index	Using the Travel Price Index
1982	112.0	116.2
1981	112.7	120.8
1980	112.0	121.0
1979	108.9	113.3
1978	103.7	104.3
1977	98.0	90.1
1976	92.3	87.4
1975	96.6	91.4
1974	94.4	92.9
1973	96.4	94.0
1972	96.7	95.0
1971	100.0	100.0

The above indices were derived using the Statistics Canada formula for the Effective Price Index - i.e. Ratio of U.S. and Canadian Price Indices x the Average Exchange Rate with the Canadian Dollar.

Source: Statistics Canada, Travel, Tourism and Outdoor Recreation, A Statistical Digest, 1980/81. Catalogue 87-401.

TABLE B-3

Exchange Rate Index

1982	1.234
1981	1.187
1980	1.158
1979	1.160
1978	1.129
1977	1.053
1976	.977
1975	1.007
1974	.969
1973	.990
1972	.981
1971	1.000

Source: Statistics Canada, Travel, Tourism and Outdoor Recreation, A Statistical Digest, 1980/81. Catalogue 87-401.